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GENERAL COMMITTEES

Public Bill Committee

EUROPEAN UNION (REFERENDUM) BILL

First Sitting

Wednesday 17 July 2013

(Afternoon)

CONTENTS

Sittings motion agreed to.

CLAUSE 1 under consideration when the Committee adjourned till Tuesday
3 September at Two o'clock.

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The Committee consisted of the following Members:

Chair: MR JOE BENTON

- | | |
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| † Bain, Mr William (<i>Glasgow North East</i>) (Lab) | † Reynolds, Emma (<i>Wolverhampton North East</i>) (Lab) |
| † Burley, Mr Aidan (<i>Cannock Chase</i>) (Con) | † Sheerman, Mr Barry (<i>Huddersfield</i>) (Lab/Co-op) |
| Campbell, Mr Gregory (<i>East Londonderry</i>) (DUP) | † Smith, Miss Chloe (<i>Parliamentary Secretary, Cabinet Office</i>) |
| † Dowd, Jim (<i>Lewisham West and Penge</i>) (Lab) | † Vaz, Keith (<i>Leicester East</i>) (Lab) |
| † Ellwood, Mr Tobias (<i>Bournemouth East</i>) (Con) | † Wharton, James (<i>Stockton South</i>) (Con) |
| † Hart, Simon (<i>Carmarthen West and South Pembrokeshire</i>) (Con) | † Williamson, Gavin (<i>South Staffordshire</i>) (Con) |
| † Hopkins, Kelvin (<i>Luton North</i>) (Lab) | Kate Emms, <i>Committee Clerk</i> |
| † Horwood, Martin (<i>Cheltenham</i>) (LD) | † attended the Committee |
| † Latham, Pauline (<i>Mid Derbyshire</i>) (Con) | |
| † Lidington, Mr David (<i>Minister for Europe</i>) | |

Public Bill Committee

Wednesday 17 July 2013

[MR JOE BENTON *in the Chair*]

European Union (Referendum) Bill

2 pm

The Chair: I welcome everyone to the Committee. Before we begin consideration of the Bill, we must first deal with the sittings motion, which stands on the amendment paper in the name of the Member in charge.

Jim Dowd (Lewisham West and Penge) (Lab): On a point of order, Mr Benton. I realise that the conventions of this establishment wither by the day, but it is normal for the Chair to authorise Members to remove their jackets should they so wish. Although some have already done so, may I clarify that you, Mr Benton, would not object to my doing so?

The Chair: I thank the hon. Gentleman for that point of order. I meant to announce that jackets may be removed. I call James Wharton.

James Wharton (Stockton South) (Con): Thank you, Mr Benton. It is a pleasure to serve under your chairmanship for this important Committee. I look forward to constructive and helpful debate from both sides of the Committee on the issues before us. I hope the Committee will conclude in good time.

I beg to move,

That the European Union (Referendum) Bill Committee do meet on Tuesdays at 2.00 pm and Wednesdays at 8.55 pm and 2.00 pm on days when the House is sitting.

I hope the sittings motion will receive the support of the Committee and we can move forward with a like mind.

Emma Reynolds (Wolverhampton North East) (Lab): It is a great pleasure to serve under your chairmanship, Mr Benton.

It is extremely important that we should debate the procedure and arrangements for the Bill Committee, as well as, at a later stage, the substance of the Bill. This is a private Member's Bill, and all Bills, whether Government Bills or private Members' Bills, need to be effectively and fully scrutinised by a Bill Committee of the House. That is a vital stage in any Bill's passage through a Parliament and will give hon. Members on both sides the opportunity to scrutinise and consider it thoroughly.

The hon. Member for Stockton South, the sponsor of the Bill, has moved a motion that the Committee meet on Tuesdays at 2.00 pm and Wednesdays at 8.55 pm—I assume that it must mean 8.55 am, unless we are going to meet in the evening as well—and 2.00 pm on days when the House is sitting. Spending a day and a half on the Bill throughout the autumn is not proportionate, appropriate or relevant to the priorities of my constituents or those of other hon. Members. It would be much more appropriate to sit on a Wednesday, which is when, by convention, private Members' Bill Committees sit.

The hon. Gentleman said in the House yesterday:

"I hope that we can do that"—

he means scrutiny—

"in the spirit of finding mutual ground, co-operation and agreement on an extremely important issue, rather than trying to make it a difficult and arduous process for all involved."—[*Official Report*, 16 July 2013; Vol. 566, c. 1020.]

It seems to me that he wants to reach out to Members on both sides of the House, so that we can have a friendly and collegiate, as well as full and proper, debate on his Bill. I would support such an approach, but I do not know whether it is possible, given that I am not sure we are off to a good start.

Mr William Bain (Glasgow North East) (Lab): As my hon. Friend rightly points out, this is a private Member's Bill; if it became law, however, it would have a significant impact on Government policy. Given that we have a Minister—[*Interruption.*] In fact, two Ministers are present. Is it not in order for us to have a statement about the effect the Bill would have on our status in the single market, or even outwith the single market, before scrutiny proceeds further?

Emma Reynolds: My hon. Friend makes a valid point, because many Bill Committees have evidence sessions, although, as I understand it, that is not the intention of the hon. Member for Stockton South. As my hon. Friend points out, this Bill, should it become law, would have significant implications for Government policy and for our membership of the EU and the single market.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): We should get this clear from the start. There used to be a convention—I have been in the House for quite a long time—that private Members' Bills were not used for constitutional matters. Of course, many people would see the Bill as being about a most significant constitutional matter.

I am not saying that I oppose the Bill or that I will not give it a fair wind. I will, but I would be very disturbed if something this important to our Parliament and country were rushed through because the proposer of the Bill wanted to conclude it in good time. Good time for one person is not fair time for another. I want to ensure that the Bill has a fair hearing; it is a Bill of immense importance to the whole population of the UK, so I really want to make sure that we note that at the very beginning.

Emma Reynolds: My hon. Friend makes an important point and he has put it on the record that the Bill is of a constitutional nature. It is highly irregular and highly unusual for a private Member's Bill to deal with a subject of such enormous importance to the House and to the wider country.

Pauline Latham (Mid Derbyshire) (Con): Will the hon. Lady care to withdraw the words "highly irregular"? If the Bill was irregular, I cannot think that the Government or Mr Speaker would allow it.

Emma Reynolds: Such a thing does not happen regularly, so I will not withdraw my remark. My interpretation of "highly irregular" or "highly unusual" is that something does not happen regularly. In fact, I have never known a constitutional Bill to be taken forward by a private

Member. If the hon. Lady wants to argue the point, perhaps she can give me an example of a private Member's Bill that is of a constitutional nature. I assume that she cannot, otherwise she might well be telling me right now.

Jim Dowd: The hon. Member for Mid Derbyshire may have misled herself. My hon. Friend never said that the Bill was "improper", just "irregular". They are entirely different words. If it were improper, I am sure that Mr Speaker would not have permitted it.

Is this not a supreme example of a Bill that really should have been introduced as a draft Bill? I speak as someone who, many years ago, served on what became the draft Mental Incapacity Bill, which was one of the earliest uses of that procedure. The issue under discussion needs the most careful scrutiny, the most detailed evaluation and the broadest range of input and evidence, to advise both the members of the Committee and the House on the implications of such a step.

Emma Reynolds: I could not agree more with my hon. Friend. The Bill is of such importance that there could have been some pre-legislative scrutiny, a draft Bill that could have been commented on in the House and a consultation with the public. We are debating an extremely important question of great constitutional significance.

Martin Horwood (Cheltenham) (LD): Our handling of the Bill is another constitutional innovation. It is not simply that it is a private Member's Bill but that the Committee stage is taking place in a Committee rather than on the Floor of the House, which is the normal place for major constitutional issues to be debated. I seem to remember what felt like hundreds of hours of my life being devoted to debating the Lisbon treaty on the Floor of the House. In many ways, what we are discussing in the context of the Bill has even greater constitutional importance.

Emma Reynolds: The hon. Gentleman makes a valid point. Only two years ago, the referendum lock legislation, proposed by the Government, was debated on the Floor of the House because it was of a constitutional nature. The hon. Gentleman also pre-empts a section of my speech where I argue—as the shadow Foreign Secretary, my right hon. Friend the Member for Paisley and Renfrewshire South (Mr Alexander), said on Second Reading—that the Bill is of a constitutional nature and therefore there is a strong case for its being considered on the Floor of the House.

When we had referendums on Scottish devolution, on whether there should be a north-east assembly and on the alternative vote—a key matter for the hon. Member for Cheltenham, given that his party requested the referendum—the enabling legislation was considered on the Floor of the House by all right hon. and hon. Members who wanted to debate those important issues.

Mr Sheerman: My hon. Friend is being a bit unfair. I want to be totally fair to the hon. Member for Mid Derbyshire. She is probably confused. I do not know

how many Bills she has sat on, but it is always a learning process. I have not been on a Bill Committee for so long that I cannot remember how one works.

However, I looked at the guide for Members on preparing private Members' Bills. Under the title "Assistance for Members" it talks about hand-out Bills. Is this a Government hand-out Bill? There is nothing saying the sort of Bill this is. I know the hon. Lady will have done her homework and will have looked at this. If she is worried about it, is the information in here? What sort of Bill is this? It is not a Government hand-out Bill. It is something unique and special.

Emma Reynolds: I think it is a hand-out Bill. We saw the text of the Bill back in May when the Prime Minister was visiting President Obama and the vote on the Queen's Speech was taking place in the House. As a result of pressure from his Back Benchers, he came forward with his own draft Bill, which looks remarkably similar to the one that we are considering today.

Keith Vaz (Leicester East) (Lab): I am listening carefully to my hon. Friend. Rather like my hon. Friend the Member for Huddersfield, I have not been on a Bill Committee for some time so she will have to help me with the process. She is normally a fair person, but she is being a little unfair to the hon. Member for Stockton South. He has been lucky enough to come top of the ballot for private Members' Bills. Some of us have waited 26 years and will wait much, much longer to get that chance. He is not responsible for parliamentary procedure. This is his Bill. He has sponsored it and we have come along to try to scrutinise it. Surely he should be given the sittings that he wants.

Emma Reynolds: I join my right hon. Friend in congratulating the hon. Member for Stockton South. I have been in this House for only three years, not the 26 that my right hon. Friend has been here. I have not been lucky either. Many right hon. and hon. Members through the years have not been lucky enough to be in the position that the hon. Member for Stockton South has found himself in. He is to be congratulated for being so lucky.

Mr Bain: Is not the point that my hon. Friend is making, about how much we would deprecate the fact that the Floor of the House is not to be the location for the Committee stage of this Bill, further emphasised when we look at previous legislation on other referendums that have taken place or may still take place?

Does my hon. Friend recall that the order under section 30 of the Scotland Act 1998, which simply gives the Scottish Parliament the power to legislate for a referendum on independence for Scotland, was considered not in a Committee but on the Floor of the House? If a statutory instrument of constitutional importance is to be considered on the Floor of the House, surely a Bill of this importance should be, too?

The Chair: Order. Before the hon. Lady responds, I should say that I have tried to be as flexible as possible in terms of the proceedings so far. However, I have to remind the Committee that we are debating the sittings

[The Chair]

motion; it is not our business to argue about whether it was right that this should be heard on the Floor of the House.

As a previous speaker pointed out, this is a private Member's Bill. It is legitimately here and this is not the forum for arguing about where it should have been debated. Nor is it the forum to pre-empt the decision of the Committee. The Committee is considering the sittings motion, after which we will go on to consider the Bill, line by line. That is our function. This is not a criticism; I try to conduct these sittings openly and give people as much opportunity for expression as possible, but it is very important that we keep that in mind.

2.15 pm

Martin Horwood: On a point of order, Mr Benton. If we are to be precise, the motion before us, if passed, commits the Committee to meeting on Wednesdays at 8.55 pm. In my experience, we do not draft amendments in the course of Committee sittings. Will you give a ruling on the effect of the motion if passed: will the Committee have to meet at five to 9 on Wednesday evenings, which does not seem likely to maximise attendance and good debate? Otherwise, should we adjourn while a constitutional fix is arranged?

The Chair: That is obviously a misprint; it should say 8.55 am. There is a facility for that to be amended accordingly by the Bill's promoter.

Martin Horwood: Further to that point of order, Mr Benton. I admit that I am not experienced in this kind of procedure. What is the facility for amending a programme motion during a Committee sitting?

The Chair: Members are quite able to move any amendments to the sittings motion if they want to, and those will be considered on their merits. It is as simple as that.

Jim Dowd: Further to that point of order, Mr Benton. Whether this sittings motion is defective or not, will you confirm that it is possible to move an amendment to it at any time during the Committee? Have you received an indication of any other errata or mistakes in the drafting of the Bill itself?

The Chair: The simple answer to that is no.

Martin Horwood: Further to that point of order, Mr Benton. I am aware that it is possible for hon. Members to produce amendments as the Committee proceeds, but there is a deadline for tabling such amendments and there does not appear to be an amendment to the programme motion on the amendment paper. I presume that we would need to adjourn to allow an amendment to the procedural motion to be tabled. Can you explain the process for that?

The Chair: To take the first point first, amendments tabled to the Bill have a deadline, but amendments to the sittings motion can be moved from the floor if Members want to amend it, and that is what we are

dealing with at the moment. Then, the normal processes will take place. However, there is obviously a deadline for amendments to the meat of the Bill.

Martin Horwood: Further to that point of order, Mr Benton. If, for instance, I were to propose an amendment to the sittings motion in the course of this sitting and suggest that the Committee adjourn, pending a referral to the Backbench Business Committee, to see whether time could be found for consideration of the Bill on the Floor of the House, would that be in order?

The Chair: That would be ruled out of order, because that is not an amendment to the sittings motion. We are dealing with the sittings motion as printed. You cannot move an amendment to move the Committee stage on to the Floor of the House, but you can move an amendment on the times—and the days, for that matter.

Martin Horwood: Further to that point of order, Mr Benton. I am sorry, I did not suggest that we amend the motion to move the Committee stage to the Floor of the House—I know that we do not have that power. I suggested moving an amendment to adjourn the Committee. I do not know whether we would have to specify it in the motion, but, if that were possible, it would state that it would be adjourned, pending an application to the Backbench Business Committee for Back-Bench time to allow consideration of the Bill on the Floor of the House. We do not have to specify in the amendment to the sittings motion that that is what we want; it could simply state that, for the moment, “the Committee stands adjourned”, or whatever accurate and appropriate wording the Clerk might suggest.

The Chair: In answer to the hon. Gentleman, it would be out of order to move an Adjournment motion. In other words, it would be a wrecking amendment. We are discussing the sittings motion and it is not within my power, as I understand it, to facilitate the moving of an adjournment to discussions. We are discussing the sittings motion and if an amendment is made to the times, dates and so on, that can be done. That is my ruling.

Kelvin Hopkins (Luton North) (Lab): Further to that point of order, Mr Benton. I do not want to make life difficult for you, but I have never heard of an amendment being moved during the debate on a motion. A manuscript amendment can be tabled beforehand if a mistake has been spotted—that is normal—but I am slightly puzzled by the procedure.

Setting aside adjourning and moving our discussions to the Floor of the House, having an amendment moved when a motion is live—because it has been moved and is being debated—is rather strange. Might there be further consultation to sort the matter out? I must say that 8.55 pm would suit me very well.

The Chair: I am absolutely assured that such things happen quite frequently. There is no problem with moving an amendment when discussing a sittings motion. My previous ruling still pertains.

I suggest that we continue to discuss the sittings motion. Let us get on with any amendments to it.

Martin Horwood: Further to that point of order, Mr Benton. In that case, I propose that the words “commencing on 15 October 2013” are added at the end of the sittings motion to allow us the possibility of discussing with the Backbench Business Committee and with the usual channels whether Back-Bench time could be used for the substantial Committee stage to be debated on the Floor of the House.

The Bill raises important constitutional issues. As the hon. Member for Wolverhampton North East said, a constitutional measure of this magnitude has never been discussed in an ordinary Bill Committee in this way. It is completely normal and absolutely accepted that such things should be debated on the Floor of the House. All hon. and right hon. Members ought to have the opportunity to contribute to that debate. We should not rush into programming the Bill in a way that makes that impossible, until we have had the chance at least to discuss with the Backbench Business Committee whether it would make time available for a Committee stage on the Floor of the House.

On the basis of your guidance, Chair, my amendment seems to be completely in order and I move, therefore, that we add “commencing on 15 October 2013” to the motion. I am sure that the promoter and the sponsors of the Bill will not consider that an undue delay. We are, after all, talking about a referendum by 2017, so in theory we have four years in which to get it right. A delay of just a few months to allow us time to ensure that we get this right in constitutional terms seems perfectly reasonable and justified.

Mr Sheerman: I wish to second the amendment. It would give us time for consideration. As I have said, when I read the material provided by the House about the Bill, I realised that it was not an ordinary private Member’s Bill, and we would be kidding the public and our constituents if we told them that it was. It uses the private Member’s structure, but it is really a Government-inspired Bill. I am not saying that that is wrong, but we must be clear that it has happened. We are in a strange and unique situation and, regardless of whether we are pro or anti a referendum, we have that responsibility.

I have been in the House for 34 years and I have never seen anything like this. I would, therefore, like time to contemplate the Bill further. If we are going to do our job thoroughly and scrupulously, what is wrong with a bit of delay? We have two years until the next election, and then two years until it is suggested the referendum take place.

Jim Dowd: Mr Benton, I am not sure whether you are going to accept the amendment, but I want to get the procedure right, or at least to understand it. As I understand it, the hon. Member for Cheltenham raised a point of order in the middle of the speech by my hon. Friend the Member for Wolverhampton North East. He has now gone on to move an amendment, which has been seconded by what is, effectively, an intervention on my hon. Friend. Do I have that right?

The Chair: You have certainly got that right. The point is that the amendment is in order, in accordance with the ruling I made earlier, and I will accept it. Despite the fact that the Opposition Front-Bench

spokesman was halfway through her speech, for good order’s sake we ought to reconcile the position here and now.

The amendment has been duly moved and seconded. It is now open for debate, so we will move on to that, and we will have to continue the hon. Lady’s remarks later.

Does anyone want to speak on the amendment?

Keith Vaz: Is it possible to move to a vote on the amendment, so we can get this bit over and move on?

Emma Reynolds: On a point of order, Mr Benton. Am I not allowed to comment on the amendment?

The Chair: Yes.

Emma Reynolds: I would like to speak to the amendment—

The Minister for Europe (Mr David Lidington): On a point of order, Mr Benton. I ask for your guidance for the Committee. I understand that you have accepted an amendment to the sittings motion, but I would be grateful for clarity on whether you now intend to hold a separate debate and a decision by the Committee on the amendment and then resume the debate on the main motion, or you intend for us to deal with the amendment at the time the question is put on the sittings motion.

The Chair: We have to deal with the amendment first. If we get that out of the way, we can return to the sittings motion.

Emma Reynolds: The hon. Member for Cheltenham is right that this is such an important constitutional Bill that all members of the Committee, whatever their view of its substance, should have time to consider its nature, the questions involved and the unintended consequences. If we were to start our deliberations on 15 October, we would, for example, have the opportunity to speak to the Electoral Commission. I do not know whether the hon. Member for Stockton South has had the chance to do that, but in the short time that I have known that I am on this Bill—that is, the last 48 hours—I have not had a chance to speak to the Electoral Commission. It is our duty as Members of this House to give due consideration to the Electoral Commission’s advice and guidance, and to have the opportunity to consult other relevant bodies about the implications of the Bill.

2.30 pm

Mr Benton, regarding this amendment, if it is in order—I seek your guidance on this—it is also important that, if we are to consider the amendment, which proposes the sitting on 15 October as the start of proceedings, we should not proceed on the substance of this Bill today.

I was told in no uncertain terms by the hon. Member for Stockton South last night—albeit informally and not on the Floor of the House—that he wants to get on to the substance of the Bill today. In the spirit of the amendment that has been tabled by the hon. Member for Cheltenham, it would be appropriate for us to have the summer recess and September to look in great detail

at the implications of the Bill, not least what the question should be. As I mentioned, that is why all hon. Members should have the opportunity to speak to the Electoral Commission. However, there are the other implications of the Bill, such as how large the franchise should be; we had a brief discussion about that on the Floor of the House on the money resolution last night.

Mr Bain: Is not my hon. Friend's point further endorsed when we look at the process for the referendum in 1975, for which Labour Members legislated? That is because in 1975, before the Bill was published for consideration by Parliament, there were two White Papers. Would not simply postponing substantive consideration of the Bill until October provide exactly the opportunity for the Government to set out for the House and the country the Bill's implications for Government policy?

Emma Reynolds: I could not agree more with my hon. Friend. If we were to accept, and I am minded to do so, the amendment tabled by the hon. Member for Cheltenham, it may be that the hon. Member for Stockton South could have the opportunity over the next couple of months to produce his own White Paper. In February 1975 there was indeed a White Paper on the referendum of the United Kingdom's membership of the European Union—I have the document here—that set out to consult widely on what was a very important constitutional matter then and what remains an important constitutional matter today. In a way, that has precedent. My hon. Friend the Member for Lewisham West and Penge said in our earlier debate that, on other Bills he has been involved with, there had been pre-legislative scrutiny.

Having the period between now and 15 October could allow for a similar White Paper to the one in 1975, which was about the organisation of the national referendum on the United Kingdom's membership of the European Community. In that White Paper in 1975, the Government said that they would give careful attention to reaction to it both in Parliament and outside. It strikes me that if we had the opportunity of the intervening period between today's sitting and 15 October, we could have a consultation of that nature. That would be appropriate to consider a Bill that is so constitutionally significant.

It is not clear to me why we are being bounced into considering the substance of the Bill—that is what I understand was the intention of the hon. Member for Stockton South—today, this afternoon, or maybe this evening, or maybe at 8.55 p.m. Maybe that is for the other part of the debate. As I am sure the Europe Minister knows, the Bill may seem short but it involves some pretty complicated matters.

Referendums are not easy things to organise. There are all sorts of questions about which day a referendum should be held, or what the costs are, which we had a brief debate on last night. If we had an intervening period between now and 15 October, we would have time to consider all those issues. As it is, the Committee has only had since Monday afternoon to get to grips with the Bill. I therefore think that the Committee should consider the reasonable amendment tabled by the hon. Member for Cheltenham, which strikes me as an appropriate and helpful suggestion.

Jim Dowd: My hon. Friend mentioned earlier the role of the Electoral Commission. Of course, its view of the Bill will be significant. Its briefing on Second Reading said:

“With regard to the intelligibility of any referendum question included in a Private Member's Bill, the Commission's approach is that our assessment process would only begin after the Second Reading stage of the Bill's consideration by Parliament. This is to ensure the effective use of public resources given the significant cost associated with question assessment.”

Does my hon. Friend agree that we cannot deal with the Bill until we know, under the Political Parties, Elections and Referendums Act 2000, what the Electoral Commission's assessment is of the question? That is why I think the amendment tabled by the hon. Member for Cheltenham is both timely and appropriate.

Emma Reynolds: I could not agree more. I will vote in favour of that amendment. If we have that period, we will have ample time to talk to the Electoral Commission, perhaps as a Committee, a group—I do not mind; I am happy to do that on a cross-party basis—or individually as Members of Parliament. My right hon. Friend the Member for Leicester East, Chair of the Select Committee on Home Affairs, may have restricted time because he chairs an important Committee of this House. He may want to meet the commission individually. The amendment would give all Members, on both sides of the House, the time to consider the Bill in more detail and to meet the Electoral Commission.

I have been doing a little bit of research on previous private Members' Bills. I think that there is a precedent for having an intervening period between debating such Bills on Second Reading and in Committee. For example, in the last Parliament, the right hon. Member for Chesham and Amersham (Mrs Gillan) promoted a private Member's Bill—the Autism Bill—which was successful. [*Laughter.*] The hon. Member for Stockton South might laugh, but he wants his Bill to be successful, so perhaps he should pay heed to what I am saying. The Autism Bill, which was successful, was debated on Second Reading on 27 February 2009, but it was not debated in Committee until 29 April 2009.

Government Members might be amused, but I would suggest that the amendment would be helpful to everyone, regardless of which side of the argument hon. Members are on. We need time to give due consideration to what is an important constitutional matter.

The amendment would also give some leeway to both Ministers present, who have significant duties in their Departments. They could get some work over and done with in September and return to the Committee on 15 October, having got that work under way. The amendment would provide them the leeway to be in a position to scrutinise the Bill properly.

We know that the Minister for Europe travels around Europe on our behalf. I would not like to see him prevented from doing so in September. He probably already has a number of visits planned, and so he should; it is the nature of his job. If we delay the start of the debate in Committee until 15 October, then he will have time to ensure that his travel plans in September, which are important to the national interests of this country—I am sure that he will visit many capitals around the European Union and perhaps wider, because his remit extends to Russia and the Balkans—

Gavin Williamson (South Staffordshire) (Con): On a point of order, Mr Benton. As much as we are enjoying the hon. Lady's speech, I feel that she is straying off the amendment.

The Chair: No. The hon. Lady is making a point about the importance of the position held by one of the Ministers on the Committee and how he fulfils his commitments in terms of the Bill. That is a perfectly legitimate point to make. However, I ask members of the Committee to move the process along. We have the amendment and have to get it out of the way one way or another. I ask members of the Committee to be as brief as possible.

Emma Reynolds: Thank you for your guidance, Mr Benton.

Martin Horwood: I think the hon. Lady was making a serious point about the importance of having the Minister present in the Committee proceedings. I did slightly pluck the date of 15 October out of the hat as a reasonable date that allowed us time to talk to people such as the Backbench Business Committee. As she said, if we are to continue in this form of Committee, it gives us time to hear what the Electoral Commission and many others might have to say in the meantime.

I would be happy to see subsequent amendments to the programme motion, if Mr Benton's earlier advice is correct and that we can do this at any time, to work round the ministerial diary. If there is an important European Council discussing environmental matters, fighting cross-border crime or trying to promote jobs in Europe, those are obviously critically important matters and we would not want the proceedings of the Bill to disrupt those important tasks in any way.

Emma Reynolds: I agree with the hon. Gentleman. I think it is vital that the Minister for Europe is able to attend this Bill Committee. Having the intervening period between now and 15 October would allow the Minister to reschedule some of the visits he might have been planning or at least to get some of the work underway that he has to do after the summer recess. It is vitally important that the Minister for Europe attends the Bill Committee as he is very knowledgeable in these matters. I look forward to his response to the amendment. We also have another Minister on the Committee, the Parliamentary Secretary, Cabinet Office, the hon. Member for Norwich North. She is indicating that she is pleased to be here and wants to be in future.

If we were to start the proceedings on 15 October, the Minister would also have the opportunity in the intervening period to look at the constitutional implications. I assume that is why she is on the Committee. I welcome her presence. It is extremely good that she has found the time as I know that she is very busy in her Department. If she had the intervening period suggested by the hon. Gentleman in the amendment, she would be able to go back to her Department and discuss the constitutional implications of the Bill. That would enrich the Committee's consideration of this important Bill.

Mr Bain: My hon. Friend makes a point of profound importance. In the last UK-wide referendum held on the alternative vote, the referendum question was changed

after the Cabinet Office, under the aegis of the Deputy Prime Minister, had to refer the question to the Electoral Commission. Would it not be better to scrutinise the Bill having the judgment of the Electoral Commission on whether the question in clause 1(4) is a fair one or not?

Emma Reynolds: I could not agree more. When we come to the substance of the Bill we will spend a significant amount of time looking at the question, which is extremely important. If we had an intervening period between now and 15 October, we would have the opportunity to talk to the Electoral Commission and also consider in more detail the implications of the question that the hon. Member for Stockton South has written into the Bill.

I am not suggesting that we would necessarily change it. However, I do think we should consider alternative questions to the one written into the Bill. Having that intervening period would allow us to give due consideration to whether the question he has put is leading. I am not suggesting it is, though some hon. Members might think so. We are led to believe that there has already been some discussion between the hon. Member for Stockton South and some of his colleagues about the question put in the Bill. I think that we should also have the opportunity to discuss that question with hon. Members across the House. We would have a period of two and a half months in which to discuss the vitally important and substantial question, which we will come to, of the substance of the Bill.

2.45 pm

We would also have time in October. I know that the hon. Member for Stockton South obviously wants his Bill to become law. If we were to meet for the first time on 15 October there would be a number of weeks before 8 November. That would be the first Friday sitting day on which his Bill could be considered on Report. We would still have quite a number of weeks. If the hon. Gentleman's sittings motion—which we are going to discuss after this amendment—were accepted, and whether we sit at 8.55 in the evening or 8.55 in the morning, we would still have a number of sittings in which to consider the Bill before us.

I am not entirely sure why the hon. Member for Stockton South is in such a great rush over this, because there is no reason to believe that we could not, between 15 October and 8 November, consider the Bill before us today in full with proper scrutiny. In fact, it would perhaps make for even quicker consideration, because we would have the opportunity to look at the substance of the Bill before us.

I urge the Committee to support what I think is actually a cross-party and consensual amendment, which has been put forward by a Liberal Democrat Member—not a Member from my own party—the hon. Member for Cheltenham. I think that we should duly consider the very serious and very considered proposal to sit on 15 October, rather than rushing into considering the substance of the Bill either today or when we get back in September. I think that this Bill Committee would be enriched by that proposal. I would like us to have more time. We have only really had since Monday to consider what we might say in this Committee and what amendments

we might put. I urge hon. Members on both sides of the House, in a constructive manner, to support the hon. Member's amendment.

Gavin Williamson: May I propose the question now be put—

The Chair: It has been proposed that the question be put.

Mr Sheerman: On a point of order, Mr Benton. You were talking to the Clerk, but I stood up slightly before the hon. Member for South Staffordshire, and I seconded his motion. I think it would be very discourteous of this Committee not to let me say two words about why I have seconded it. That seems very strange.

The Chair: That is fair enough. I will allow the hon. Gentleman to speak, but after that I will have to put the question.

Mr Sheerman: I honestly do not want to get into a situation of it being them and us on this Committee. *[Laughter.]* I am sorry for all the giggles on that side, but the fact is that I have a very open mind about a referendum. I have not come here to be a party person. I am here as a Member of Parliament who cares very much about the rights of Parliament, and not only the rights of Parliament but the rights of the legislature as opposed to the Executive.

What worries me about this is the enormous haste about it all. Why we are sitting today anyway, on this last day before the House rises tomorrow? *[Interruption.]* Let me just finish. This is one of the most significant private Members' Bills, certainly of those that I have seen in my 34 years in Parliament. The undue haste about getting this up does smell a little bit fishy. Why are we to get this through as fast as possible when we all know that there is a leisurely timetable? We have plenty of time to use, and as parliamentarians we have a responsibility to our constituents to stand up to the Executive.

We know what the Executive are up to. The Executive—this Government—said, "We are going to take over private Members' business and we are going to get the person from our party who wins or comes highest in the ballot to introduce this Bill." We are all grown-up; we know that that is the case. Other parties might have done it as well—I am trying to seek cross-party consensus—but we need more time for mature consideration of the impact of the Bill and a referendum on the people of this country. My constituents in Huddersfield would expect no less.

Two weeks ago, I asked the Chancellor of the Exchequer whether there had been any independent evaluation of the cost of leaving the European Union on the British economy. He admitted that there had not been. That is a chilling admission. Here we are with a Government-inspired private Member's Bill, rushing to get it through the parliamentary process, when the Chancellor of the Exchequer says that no one has bothered to find out the cost in wealth, in employment and in the future of our constituents if there were a referendum and we were to leave the European Union.

I make a cross-party plea: what is the point of rushing? It is probably the most important private Member's Bill in the history of private Members' Bills. I am sorry to say that, but it is. As a Member of Parliament, not a parliamentary partisan, I am not going to be steamrollered by anyone—*[Interruption.]* I am not going to be steamrollered by someone who got elected yesterday—*[HON. MEMBERS: "Ooh!"]* Someone who seems to care nothing about—

The Chair: Order. Things are getting a little out of hand. Will the hon. Gentleman conclude his remarks? I can then put the question to the Committee.

Mr Sheerman: I think it is my right as a Back-Bench Member of Parliament to explain why I am deeply concerned. I am not unhappy about the Bill or its content. We are discussing taking more time. I do not know why Government Members are getting so excited; I am trying to do my job as Member of Parliament by saying, "Hold on. Whatever the merits of the Bill, let us take a little more time."

We have suggested a very reasonable amendment that would give us that greater time. It would give all members of the Committee the chance to change our diaries and make better arrangements. We would have the time for reflection. We would not only be able to see the Political and Constitutional Reform Committee's view of the whole enterprise, but many of us would be able to come to a more mature reflection on the effect that leaving the European Union would have on our constituencies.

That is the point that I am trying to make and I think it is fair. It may irritate some people, but they know that I work well with them on other issues, such as manufacturing; we work together, so they know that I have a good record of cross-party working. I appeal to them: let us bury our party-political differences and think as parliamentarians who do not want to be steamrollered by the Executive.

Mr Bain: Is not the point really that the Committee is not being given sufficient time to explore the implications of the Bill for Government policy? It is staggering that the Government have already produced three documents—considerable, detailed and involved pieces of work—on the Scottish referendum, and yet no documents have been prepared by the Government or by the hon. Member for Stockton South in relation to this equally important referendum. Is that not why we need to begin substantive consideration in October? That would give them an opportunity to produce the necessary work and make their case.

Mr Sheerman: My hon. Friend is right. What is more shocking, Mr Benton, is this: you and I know the high value that MPs put on our House of Commons Library, but if you go to the Library to try to get any background on this Bill, you will be looking for a long time. It is not there. The Library staff say that they have not had time to prepare sufficient material to be of use to Members. That is shocking. This morning, I wanted up-to-date information, so I went to the Library with a series of requests, but they said that they needed more time to answer my questions.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I have here a copy of the European Union (Referendum) Bill Library research paper dated 28 June 2013. Would the hon. Gentleman like to borrow it?

Mr Sheerman: That is the only thing they have. I have it, too. I had a dozen questions based on the reading of that document and could get no answers, because they said they had had insufficient time to prepare the material.

Jim Dowd: That particular document is not about the Bill. The sections are: “Generic rules for the conduct of a UK referendum”; “Generic regulation of referendums”; and “Passage of a Private Member’s Bill”. The detail about the Bill is not available. If we go to the Vote Office and ask for explanatory notes, there are none.

Mr Sheerman: I let my case rest. *[Interruption.]* I have had only one private Member’s Bill that came high in the ballot. It was when I was first in the House and it came 10th. The Prime Minister, Leader of the Opposition and Chief Whip hated it. We eventually got seat belts, but it was an uphill struggle. So I know that when working for something, it is best not to alienate friends and potential allies on the first day. I have every right to speak on this matter and to speak at some length on this first day. I do not go in for making long speeches to waste time. I am saying, time and again, let us do this on an amicable basis.

The first meeting of any Committee is always a kind of “get to know you” working group. We have to-ing and fro-ing, and I do not mind a little bit of chirruping in the background, but the Bill is too important to rush.

Pauline Latham: To waste time.

Mr Sheerman: The hon. Member for Mid Derbyshire, who has not been in the House for so very long, thinks it is a waste of time—*[Interruption.]*

The Chair: I appeal to Members not to lower the tone. We are not making any progress. Let us allow the hon. Gentleman to conclude his speech. Interruptions do not help any of us; it is difficult enough to try to conduct proceedings. It is not fair to the sponsor of the Bill, so let us try and make some progress, cut out the bickering and let the hon. Gentleman finish his speech.

Mr Sheerman: I have to address that remark about time wasting made from a sedentary position. I am not wasting time. A long time ago when I worked for a living, I was a university teacher; I used to teach stuff about constitutional matters. Whether we like it or not, the issue is about the relationship between a very powerful Executive in our country—some would say an elected dictatorship—and a parliamentary legislature that has to stand up for its rights. If it does not stand up for its rights when they are endangered, future generations will say, “Where were you?” when further Executive power was taken away from the legislature and we did nothing and said nothing.

We must do our duty, not only in this Parliament, but in Parliaments to come. This is a very big battle between a Government in a hurry and a Parliament that should

say, because it is sensible, “Hang on. Let us take our time on this. Let us scrutinise it properly. Let us do the proper job that we should do as elected Members in this Parliament.” We owe it to the country, our communities and our constituents.

Martin Horwood: On a point of order, Mr Benton. Am I allowed to sum up on my own amendment?

The Chair: We are already debating the amendment, which we have to deal with first.

Martin Horwood: But it is my amendment that we are debating.

The Chair: If you want to reply to it, I will allow that.

3 pm

Martin Horwood: The original rationale for this amendment was to allow time for us to approach the Backbench Business Committee to consider whether there is an alternative means of dealing with Committee stage. As I said in my introductory remarks, it is quite extraordinary for a constitutional matter of this importance to be dealt with in an ordinary Bill Committee, not on the Floor of the House. It is unprecedented in recent history.

In addition to the option of looking into alternative ways of treating Committee stage, there are two other reasons why we should not rush through the substantive business of this Committee, but push the debate back to 15 October. That is not a great delay; it is only a few weeks of sitting time into the autumn Session. It would not delay the Bill or put it at risk from the next general election, the end of the Session or anything like that, but it would give us time to consider carefully its implications.

When we return to the substantive debate on the programme motion, I will make some of these points. I will not repeat myself by making them again. We should consider issues such as the legislative implications for other pieces of legislation, including the Political Parties, Elections and Referendums Act 2000, the European Union Act 2011 and potential legislation on the Scottish referendum and Scottish independence. There is a need to take proper evidence, not just on the legal and constitutional niceties of this proposal, but from business. I will come back to those points in the substantive debate on the programme motion.

There are two reasons why I say, in all seriousness, to the hon. Member for Stockton South that it is in his interests and those of the Bill’s supporters to hold off and listen to the wise words of the hon. Member for Huddersfield, who said that sometimes it is better to pause for breath and consider this kind of legislation properly.

First, this is a two-stage process. The Bill is progressing through the House of Commons at the moment, but it will go to the House of Lords in due course. I have to warn the hon. Member for Stockton South that the House of Lords is full of lawyers who are uninhibited by elections and the prospect of being turfed out by constituency associations. Some on those on the Liberal Democrat Benches make me look like a Euroscopic. They will tear the Bill to pieces.

Mr Lidington *indicated assent.*

Martin Horwood: I see the Minister nodding in absolute agreement.

Jim Dowd: Will the hon. Gentleman confirm that the response of the House of Lords, when considering private Members' Bills in particular, is conditioned by how the Bill is handled in the Commons? Therefore, it is in our enlightened self-interest to be flexible and reasonable in handling this end of the Bill, rather than simply railroading it through, because that could come back to bite us.

Martin Horwood: I was not aware that was a material consideration in the House of Lords' consideration of Bills. If the hon. Gentleman is right, he reinforces my point, which is that if we deliver bad or ill-considered legislation to the House of Lords, our noble Friends will tear it to pieces. We have not considered the implications for the European Union Act 2011, and no amendments have been tabled relating to a possible repeal or amendment of that Act or the Political Parties, Elections and Referendums Act 2000. There are major implications that have not yet been considered in amendments. If we were to deliver the Bill to the House of Lords without properly considering those things, I have no doubt that our noble Friends will go to town on it.

The second reason why the hon. Member for Stockton South should pause for breath, take a little time and consider things carefully is that there is a political risk for the Conservative party. If the Bill is rushed through, Members from other parties will be able to make the obvious accusation that this is not serious legislation; it is not a weighty constitutional matter that has had the hundreds of hours of debate that weighty constitutional matters have received in this House in the past. It is actually a political exercise, we would say, to paper over the cracks and disunity in the Conservative party and provide a kind of paper unity to tide it through to the general election campaign and period after that. Then, the splits in the party will become much more apparent.

I am sure that my fellow Members on the Government Benches will not accept that proposition, but if they want to defend themselves against that, they need to make sure that the Bill is treated with the kind of seriousness that proper constitutional measures normally receive in the House. That means not rushing the Bill through, on a Wednesday afternoon, one day before the House rises for the summer in the hope that we will get it out and on its way to the House of Lords, because that is a recipe for being accused of not giving it serious consideration. That is a political risk for Conservative hon. Members and certainly a risk to the Bill when it gets to the House of Lords.

For all those reasons, and for the original reason I gave—it would allow us, through the usual channels and with the Backbench Business Committee, time to explore alternative treatments for the Committee stage—I propose the amendment that the Committee add the words

“commencing on 15 October 2013”

to the end of the programme motion.

Gavin Williamson *rose*—

The Chair: I am not going to put the question on closure. That is not necessary as the debate has concluded.

Question put, That the amendment be made.

The Committee divided: Ayes 5, Noes 8.

Division No. 1]

AYES

Bain, Mr William
Dowd, Jim
Horwood, Martin

Reynolds, Emma
Sheerman, Mr Barry

NOES

Burley, Mr Aidan
Ellwood, Mr Tobias
Hart, Simon
Latham, Pauline

Lidington, Mr David
Smith, Miss Chloe
Wharton, James
Williamson, Gavin

Question accordingly negated.

The Chair: We now resume the debate on the sittings motion. I call Emma Reynolds.

James Wharton: On a point of order, Mr Benton. We discussed at some length and in detail the merits of the sittings motion while debating the amendment. Would you be open now to put the question on the substantive sittings motion?

The Chair: No, that is not appropriate. We interrupted proceedings when the Opposition spokesperson was making her comments on the sittings motion. It would be totally out of order for me to discontinue what she was trying to say.

Emma Reynolds: Thank you, Mr Benton. We still have some need for consideration on the sittings motion. It is interesting that it states that we are due to meet on Wednesday at 8.55 pm and 2 pm. There are merits to meeting at either 8.55 pm or 8.55 am; on the Floor of the House at the moment there is a discussion on whether MPs should have second jobs and paid directorships. Some could argue that we could meet at 8.55 pm in the traditional manner of this House, perhaps sitting very late as used to happen when my hon. Friend the Member for Luton North was first elected. *[Interruption.]*

The Chair: Order. There is too much background noise. I cannot hear the hon. Lady.

Emma Reynolds: Thank you, Mr Benton. Although she has been here longer than I have, the Minister points out that some of us on the Committee were elected only three years ago, so have not experienced a very late night sitting. Maybe an 8.55 pm start has its merits. I think that is something that we should consider, Mr Benton.

Jim Dowd: The practice used to be tied up with 10 o'clock sittings. Of course, we do that only on a Monday these days. We used to break at 7 pm from the afternoon session and come back at 8.30 pm.

Emma Reynolds: It is a serious question. Do we meet at 8.55 am, which I thought was the original intention of the sponsor of the Bill, or do we meet at 8.55 pm? My right hon. Friend the Member for Leicester East, who is not in his place, is the Chair of the Select Committee on Home Affairs. He will have Select Committee business to attend to. If we met at 8.55 pm it might allow him more time in the morning.

The Chair: Order. I am sorry to interrupt the hon. Lady again but I have ruled previously that the 8.55 pm is negated. I accept the spirit, but that will duly be amended.

Emma Reynolds: I am grateful to you for clarifying that point, Mr Benton. I take it as read that we are to meet at 8.55 am.

I would like to consider whether the programme motion is conventional. There are many conventions that apply to a private Member's Bill. One such convention is that private Member's Bill Committees usually meet on a Wednesday. Therefore, it seems appropriate that the hon. Member for Stockton South has suggested that we meet twice on a Wednesday. That seems perfectly reasonable and conventional.

However, I am not sure why it is necessary or conventional for a private Member's Bill Committee to meet on a Tuesday afternoon. I think we have seven sitting weeks between the first week after we are back in September and Friday 8 November. I imagine it is the intention and objective of the hon. Member for Stockton South to get the Bill back on to the Floor of the House for further scrutiny on 8 November. We have seven weeks in which to scrutinise substantially the Bill that he has introduced.

Not only is it conventional that we should meet only on a Wednesday, but it means that we will have time in the autumn to consider in detail the substance, the implications, the nature of the question—all the things that we have already mentioned—if we were to meet at 8.55 am and 2 pm on a Wednesday. I welcome the second part of the programme motion with regard to Wednesday, but I am not entirely clear why we should also meet on a Tuesday afternoon.

Jim Dowd: I used to be a Government Whip for private Members' Bills. In my experience, the promoters of such Bills—particularly those fortunate enough to come No. 1 in the ballot—get very proprietorial. They get worried that if they do not get their Bill through as soon as they can, things will go haywire. Given that, although this Bill does not have Government support, it has the support of the Conservative Whips Office, the situation is entirely open to them.

I can understand why the hon. Member for Stockton South fears he might not get it back for 8 November. However, there are six Fridays on which precedence is given to Bills emerging from Committee. It is entirely open to Government Whips to manage matters so that nothing can get past the Bill, because all private Members' Bills, by convention, are allocated to a Committee such as this. For as long as this Committee exists, nothing can get past the Bill. That should reassure the hon. Gentleman to some degree that the prospect of the Bill making progress—if it is destined so to do—would not be jeopardised.

3.15 pm

Emma Reynolds: As the first Division that we have just had in Committee demonstrates, if the hon. Member for Stockton South has his hon. Friends present, he has a majority. There is no reason, if we were to meet twice on Wednesdays for seven weeks before Friday 8 November, to doubt that we would have considered the Bill. I am therefore not entirely sure what justification there is for having an extra sitting on Tuesdays. I would welcome some clarification from the hon. Gentleman, either now or later in the debate.

Not only do I find the sittings motion unconventional, given that Committees considering private Members' Bills usually sit on Wednesdays; I am not entirely sure, given all the other duties that hon. Members on both sides of the Committee have to their constituents and in the House—whether in Select Committees, other Bill Committees, or shadow or ministerial roles—that it is reasonable or proportionate for us to sit on Tuesdays. Why can we not just sit on Wednesdays, in the morning and the afternoon, given that we have seven weeks?

The hon. Gentleman is a new Member of Parliament, elected in 2010, as are many of us here, which is a good thing. In a way, we are still learning the ropes; we have been here only three years. I have many duties to my constituents. Why is it necessary to use Tuesday afternoons to scrutinise the Bill? There are many other issues—our constituency duties, and the big issues of the day—that hon. Members on both sides of the Committee are worried about.

The hon. Gentleman was very fortunate and I congratulate him again on winning the ballot. However, on the day before the ballot was drawn, he said that there were more pressing issues. If so, why should we sit on Tuesdays as well as Wednesdays? Surely, if there are pressing issues such as unemployment—figures for which are out today—and economic growth, why can we not have Tuesday afternoons to discuss them? We would still have time in the seven weeks available to consider the substance of the Bill.

The other test that is relevant to the sittings motion is whether it is in the national interest for us to rush the Bill. We have had some debate about when we should start substantive consideration. Having to sit on Tuesday afternoons as well as Wednesday mornings and afternoons would not be in the national interest. Ministers would be forced to come here on Tuesday afternoons, when it would be better for them to be working in their Departments, which would be in the national interest.

It seems ironic that the hon. Gentleman proposes, through the Bill, that we should have a referendum by the end of 2017. That is in four years' time. Why do we need such an intensive timetable during those seven weeks? The juxtaposition of having to sit all through Tuesday afternoon—

Mr Tobias Ellwood (Bournemouth East) (Con): The hon. Lady just said that it was being rushed.

Emma Reynolds: Well, I think it will be rushed. We will not have much time between sittings on Tuesday afternoons and the two sittings on Wednesdays to consider the detail of what we have discussed. It seems neither rational nor necessary.

[Emma Reynolds]

One suggestion that has been put to me is that the hon. Member for Stockton South wants to get the Bill out of Committee by September, in time for his own party conference. I hope that is not true. If it is, I do not think that should drive the scrutiny of this Committee. I do not want scrutiny of such an important Bill to be rushed through in time for the conference recess; that would be regrettable. That is why the Committee need only sit at 8.55 am and 2pm on Wednesday.

I hate to say it, but the reason why the hon. Gentleman wants the Committee to sit on a Tuesday afternoon seems political. Does he want to get the Bill through Committee in September, in time for the party conference? Is that really his intention? He can tell us if it is. He does not need to do that. His only real deadline is 8 November. He wants to maximise the opportunity for the Bill to be discussed on Report, on the Floor of the House, on 8 November.

That is the first date on which the Bill can be considered in the House. There are many weeks during which we can consider the Bill before then, and there would be sufficient time if we met just on a Wednesday morning and afternoon. There would also be less of a rush, because we would have time on the Tuesday to prepare for the Wednesday sitting. I therefore suggest to the hon. Gentleman that we meet just twice on the Wednesday, and not on the Tuesday. That would be conventional and appropriate and meet the requirements for scrutiny by Friday 8 November. We would also have time to think about improvements to the Bill.

Mr Bain: Not meeting on a Tuesday would give both the Ministers serving on the Committee an opportunity to produce proper evidence on the implications of, and the arrangements for the franchise and polling for, the purported referendum.

Emma Reynolds: I could not agree more with my hon. Friend. I am glad to see both Ministers at our first sitting; it is valuable to have the input of two Ministers, and long may that continue. I am sure they intend to attend future sittings. In order to maximise the opportunity for both to be present, it would be logical to restrict the sittings to a Wednesday.

The Government have serious business to attend to. The Minister for Europe has an important job to do, as does the Parliamentary Secretary, Cabinet Office, the hon. Member for Norwich North. It would serve the national interest and be much more appropriate for them to be working at their Departments on a Tuesday afternoon, rather than in Committee. Furthermore, given that the Bill has not been subject to pre-legislative scrutiny, freeing up such time at the start of the week would enable Members to consult the Electoral Commission and other relevant bodies. It would enable the Library to prepare a detailed note on the Bill, clause by clause, and thus prepare us to scrutinise matters better.

I say to the hon. Member for Stockton South that rushing the process will not serve anybody on the Committee. [Interruption.] Conservative Members may laugh, but in the best Bill Committees hon. Members on both sides share the objective of full and proper

scrutiny. If the Bill is rushed through, that objective will not be met. [Interruption.] I am sorry that hon. Members are so unhappy for me to point that out.

The Chair: Order. This is getting out of hand. I am almost tempted to suspend the sitting for half an hour to let people quieten down. There is far too much noise going on. Members are making speeches, and whether you agree with them or not, they have a right to be listened to. That applies to every member of the Committee. I ask Members to lower the noise level a bit.

Emma Reynolds: Thank you, Mr Benton.

Martin Horwood: Does the hon. Lady share my astonishment at the laughter from Conservative Members in response to her advocating proper, adequate and timely consideration of a measure that, if wrongly handled, might cost millions of jobs, put in jeopardy half our foreign direct investment and a large proportion of our trade with other European member states, and undermine our position in world trade talks and free trade agreements with the United States and other major markets?

For me, this is not a laughing matter. It is a very serious constitutional matter that has deep implications for British jobs and British interests. Does the hon. Lady share my disappointment that Conservative Members seem to be taking such a light-hearted and partisan approach to the Bill?

Emma Reynolds: I am disappointed, but I am not surprised. It is of great regret to me that in the first sitting of the Committee we should have such chuntering from sedentary positions. We are having a serious debate about how the Bill should be scrutinised, and I do not know why Conservative Members think it is appropriate to have private conversations and to heckle while other hon. Members are speaking. I am making a serious point about the consideration of a Bill that has important constitutional implications.

One reason why we should sit only on a Wednesday, and not on a Tuesday afternoon, is that our constituents are looking at what we do and asking what the country's priorities are. If we were to sit on Wednesdays and all afternoon on Tuesdays, would we have the opportunity to discuss the issues of the day? I am not the only person to make such a suggestion. Commenting on the choice of private Member's Bill, the Conservative councillor for Yarm and Kirklevington—in the constituency of the hon. Member for Stockton South—said that it should have been

“something to get the economy moving or to speed up help to get women into work.”

Had the Bill been on such a subject, perhaps it would have been appropriate for us to meet on a Tuesday afternoon, but it is not. The Bill is about our membership of the European Union and it has complicated implications, as the hon. Member for Cheltenham has suggested, for foreign direct investment and for our economy. We will need time between Committee sittings to consider those implications and to formulate our amendments. If we have to have three sittings every week, we will not have time to do so.

We have seven weeks in which to consider the Bill, so it is highly likely that the hon. Member for Stockton South will meet his target date of 8 November even if we sit only twice on a Wednesday. Conservative Members must consider how their attempts to rush the Bill through the Committee look to the outside world. Why can we not meet only on Wednesday mornings and Wednesday afternoons? To me, that is conventional. It would be appropriate, and it would be proportionate in terms of the other important issues that this country faces.

3.30 pm

I agree with the last half of the sittings motion, which suggests that we meet at 8.55 am and 2 pm on Wednesdays, but it is not clear to me why we have to meet on a Tuesday afternoon as well. I am not sure which timetable the hon. Member for Stockton South is working to, and maybe he will clarify that. I hope that it is not the case that he was told by the Executive of his own party that they want to have this Bill through Committee in September, because I do not think that that would do any of us any good, frankly. I think that would rush the scrutiny, and pose severe risks in terms of the questions that might be put and the substance of the Bill. We need more time between sittings to consider fully amendments and the implications of the Bill.

Mr Bain: It is a pleasure to serve under your chairmanship once again this afternoon, Mr Benton. I support my hon. Friend the Member for Wolverhampton North East, who made an excellent speech questioning the terms of the motion proposed by the hon. Member for Stockton South, which calls on the Committee to begin substantive consideration of this Bill this afternoon. Like my hon. Friend, in preparing for the debate on the motion, I had an opportunity to review the chronology of events which led up to the last referendum held in 1975 on the UK's membership of what is now the EU, and was then the EEC. I have discovered numerous procedural differences in the steps taken leading up to that Bill, and indeed in the passage of that Bill—

Martin Horwood: On a point of information, the referendum was actually on membership of the European Community, not membership of the European Economic Community, because we had already moved into a phase where social and other legislation was part of the European project. We do not want to fall into the argument sometimes put from these Benches that the only vote in the 1970s was on economic membership of a single market, because it was not.

Mr Bain: The hon. Gentleman is precisely right. Before I entered this House, in a previous life when I was a lecturer in European Union law, I did of course mention very frequently to students that the issue of pooling sovereignty, concerning not only economic matters, was addressed in case law from the 1950s. So precisely what people were joining was very apparent in the 1975 referendum, to which I have referred, and also in the European Communities Act 1972.

Jim Dowd: This point comes up from time to time, and it gives a slightly misleading impression, which I am sure was not my hon. Friend's intention. He referred to the last referendum being on membership and our

relationship with the European Community, but that gives a false impression because it was the only referendum there has ever been on our relationship with our European neighbours and partners, and it was provided by this party.

Mr Bain: That is entirely right, and I understand that when a referendum was considered on the treaty of Maastricht, many Members, indeed now very senior members of the Government, spent hours debating the subject, and were fully aware of the fact that such a proposal had to be given adequate scrutiny by this House. That is precisely what would not be afforded if this business motion passed in its present form.

Of course, those points of difference between the procedure leading up to the 1975 referendum and the purported procedure that the hon. Member for Stockton South would have the Committee follow today should cause Members to pause for thought. We should think about whether it is proper for us to embark on line-by-line scrutiny of the Bill today, in the absence of several important documents being produced either by the hon. Gentleman or indeed by the Government. Such documents were available to this House when it considered the equivalent legislation in 1975; my hon. Friend the Member for Wolverhampton North East and I have mentioned that two White Papers were presented to Parliament on the implications of asking the country whether we should remain in or leave the European communities.

Neither the Government nor the hon. Gentleman have indicated that they propose, singly or together, to present a document on the implications of the Bill for the Committee, and later the full House, to consider. As the hon. Member for Cheltenham has said, the Bill has implications for trade, for foreign direct investment, for employment and for employment rights. Such documents have simply not been produced, so the business motion that the hon. Member for Stockton South has presented to the Committee is inadequate. Before detailed scrutiny of the Bill begins, should we not have an opportunity to hear from the Minister for Europe why the Government have not helped us to analyse the Bill by publishing the balance of competences document that they have been promising for months?

Mr Ellwood: What has this got to do with the timetable?

Mr Bain: The timetable is about the scrutiny of the Bill, and we need the proper tools to scrutinise it. Surely the hon. Gentleman accepts that we should not embark on such a serious role on behalf of our constituents and the people of the country if the Government and the hon. Member for Stockton South have not provided us with the proper tools.

We have not seen the balance of competences document. We have not seen a White Paper from the Europe Minister, the Foreign Secretary or the Prime Minister on the powers that the Government believe should be transferred from EU level to national level. We have not seen a White Paper on the Government's analysis of the referendum question in the Bill. Surely we cannot begin the detailed, serious task of scrutinising the implications of the Bill unless we have those documents to hand.

[Mr Bain]

Although we are informed that the Bill is not a Government Bill, it is clear from the interest in the Committee that the Conservative part of the Government has a real interest in its fate. When will the hon. Member for Stockton South or the Ministers provide hon. Members with the papers and documents necessary to answer our important questions? We deserve detailed answers to our questions before we begin the task of scrutinising the Bill, which is precisely why the business motion should not be accepted in its present form.

What would be the implications of a yes vote or a no vote if the question in clause 1(4) were put to voters in the proposed referendum? For the 1975 referendum, two White Papers were published on the proposed terms of renegotiation of EC membership, one of which considered the implications of the proposed referendum question. It is regrettable that the Committee is not being afforded the same range of authoritative analysis on the implications of the Bill. If the hon. Gentleman believes it to be of vital national interest that line-by-line scrutiny of the Bill begins this afternoon, why cannot he or either of the Ministers present give us assurances about when we will receive the White Papers, Green Papers or other background documents that will allow us to fulfil our important scrutinising function?

As the Foreign Secretary mentioned on Second Reading, those of us who are registered to vote in Scottish constituencies are in a unique position, for should the Scottish Parliament pass the legislation currently before it to provide for a referendum on Scotland's membership of the United Kingdom, then I will have a vote on whether we remain part of the European Union next September. In relation to that referendum, the Government have adopted a different strategy in terms of the background information and documentation that has been provided to voters.

Martin Horwood: The hon. Gentleman made an unintentional slip when he said that the Government have adopted a different strategy. Of course, this is not a Government Bill. The coalition Government have already legislated at length for referendums on the European Union in this Parliament and passed the European Union Act 2011, which put into practice what was then Conservative party policy. The Bill before us is only a Conservative private Member's Bill.

Mr Bain: The hon. Gentleman makes a fair point.

I have here three documents issued by the Government over the past three months that provide a balanced analysis of the implications of the Scottish referendum. I believe that it shows a complete contrast with the way in which the purported EU referendum is being handled that the same information has not been provided either to hon. Members or to voters, and there is no timetable to provide such evidence or analysis. That shows why we need a delay before we begin the detailed, line-by-line consideration of the Bill, so that the Government have an opportunity to give our constituents and hon. Members this information.

The sort of information that the hon. Member for Stockton South and the Ministers could provide the Committee with, if we did not accept the sittings motion, would include what the implications of a no vote would

be: would a no vote remove us from the European Union but keep us in the European economic area? Members need to know about such matters before we begin detailed scrutiny of the Bill. Would a no vote see us rejoin the European free trade area? Would we retain even a customs union with the EU, as Turkey enjoys as a state hoping to get in, while Government Members increasingly hope we get out? Do we not deserve information of such sort before we begin detailed scrutiny of the question in the Bill?

It is surely incumbent on the Government and the Bill's promoter to set out the implications with which the Government and Members across the House would have to wrestle in the event that the Bill became law. That is why the sittings motion, as it stands, should not be accepted.

No assessment has been provided either by the hon. Gentleman or by Ministers about the Bill's impact on trade. That would be enormously beneficial—I would say essential—to hon. Members beginning a task of scrutinising the Bill line by line. It is an extraordinary omission that we have not seen any of that detail in the process on the Bill. It is completely at odds with what happened in 1975. It would be awful if Members of the House were put in a worse position in representing our constituents and in getting to the bottom of the Bill's implications if we were denied the information that our predecessors in 1975 had when they exercised this vital task on behalf of people across this country.

Emma Reynolds: Most of the Bills I have scrutinised had explanatory notes attached. Does my hon. Friend agree that if we have fewer sittings, it might give the hon. Member for Stockton South more time to produce such a document?

3.45 pm

Mr Bain: Indeed. My hon. Friend makes an excellent point. It is very interesting that incredible haste to have a vote can be detected on the part of the hon. Gentleman and his hon. and right hon. Friends, but they are not so hasty to explain what the vote actually means. What would be the implications of a yes vote and, more importantly, of a no vote? It is extraordinary that we have been asked to begin line-by-line consideration of a Bill of such significance without being furnished with that information. It is absolutely deplorable that that is the procedure we are being invited to adopt.

Of course, in considering the sittings motion, we should strongly deprecate the absence of an assessment of the impact on business from the hon. Gentleman or the Minister for Europe. Businesses would have to meet different technical standards if we were required to have bilateral trade agreements with EU member states, if we voted to leave the European Union. That is a crucial area, on which we need information before we begin detailed scrutiny of clause 1. Where too is the assessment of the advantages that businesses in the EU would achieve relative to those in the UK, if free trade agreements between the EU and the US, and between the EU and Japan, were achieved and signed, but the UK was not party to those accords and was denied up to £10 billion in annual economic benefits as a result? Why is no one else—[Interruption.] Members are scratching their heads, but we deserve—

Pauline Latham: On a point of order, Mr Benton. Is this the debate that we should be having? We seem to be miles away from it. We are actually talking about the debate, not about the motion we should be debating now.

The Chair: I assure the hon. Lady that if in my opinion any Member is out of order in their contribution I will not hesitate to say so. The hon. Member for Glasgow North East is making a case to justify the sittings motion, and additional information to it, and is completely in order. Be assured that I will not hesitate to call anybody out of order, who I think is out of order.

Mr Bain: Thank you very much indeed, Mr Benton. The points about trade and foreign direct investment demonstrate that unless answers to some of these questions are available, the Committee cannot begin line-by-line consideration in the most effective way this afternoon, or on the terms of the schedule and business motion proposed by the hon. Member for Stockton South. How else are we to scrutinise a piece of legislation that will affect the lives and interests of every single one of our constituents? It is absolutely necessary that the information is provided.

Mr Sheerman: Earlier, I went to the Library and asked, "Is this all you have on the referendum and the Bill? Can you not give me some detail?" This is the kind of detail I was after. At this time of year everyone in the House of Commons is thinking of their holidays, and I think that they were as well. There is not the capacity in the House of Commons Library, which services every Member of Parliament, to answer the sort of questions we were asking. That is a real problem for parliamentarians.

Mr Bain: I thank my hon. Friend for that answer. We all recognise that the hon. Member for Stockton South has a task that he wants the Committee consider. He has an aim in mind, but the aim of all Members, and indeed the reason why we were sent to the House by our constituents, is to make sure that the laws we consider are scrutinised in relation to the evidence that backs them up.

By adopting the meeting schedule that the hon. Gentleman put before the Committee, our ability to scrutinise the implications of the Bill would be impaired. That would be regrettable. It would really not fit with the national interest or the interest of democratic debate and discussion, which is why I hope that the Committee will not endorse the business motion.

Martin Horwood: The programme motion in front of us today is not really fit for purpose. It requires further qualification or amendment. I agree very much with many of the remarks made by the hon. Member for Glasgow North East, who referred to the reasons why we need to take a bit more time before we move on to the substantial business of the Committee. I will come back to those themes.

I slightly disagree with the hon. Member for Wolverhampton North East, who lost me slightly in her peroration on the relative merits of Tuesdays and Wednesdays. She seemed to be challenging the actual quantum of time that we would spend each week on deliberation in Committee. It is pretty reasonable for the Committee on a major Bill—even if it is in the wrong place, in my view—to spend at least two days in

each week on it. It is not uncommon for us to spend two mornings and afternoons a week debating a Bill in Committee, so I did not quite follow the hon. Lady's argument for reducing that to simply one day. The real issue about the programme motion is about the elapsed time that we can spend before we move to substantial consideration even of the very first clause. That is really important.

I obviously congratulate the hon. Member for Stockton South on coming top of the ballot. The closest I have ever come to getting a private Member's Bill was a ten-minute rule Bill on the pub tie. We did not rush to Committee too fast. We wanted to consult with the pub industry. We wanted to consult tied landlords and lessees and we wanted to take our time before trying to move the debate forward. Unfortunately, the Bill never reached Committee, but nevertheless we took a lot of time drafting its detail. I might have been on the Committee for the Defence Reform Bill, but I may have been taken off it in order not to be sitting on two Committees at once. I hope we move back to 8.55 am because I have a nasty feeling that the Whips might put me back on that Bill if we meet on this one in the evening. I will end up spending all day in Bill Committees.

The Defence Reform Bill is moving into Committee at roughly the same time, but there will be a substantial amount of time for evidence sessions before moving to consider the clauses. That Bill is on important matters of defence procurement and the development of the Army reserve. Those are big issues but they are not nearly as big as the issues that are implied by this Bill. If it is justified for the Defence Reform Bill to have a considerable number of evidence sessions before moving to substantial consideration of the clauses, it is even more justified in this case.

I sat on the Joint Committee on Privacy and Injunctions. There we did not even start the evidence sessions until we had taken expert constitutional legal advice on the implications of what we were discussing. Again, there are similar implications for this legislation. Perhaps we should consider specific sessions to take legal and constitutional advice, quite apart from taking evidence from people who have views one way or the other on whether we should hold a referendum and the risks that it poses. For all those reasons we need to think carefully about the programme motion and whether it needs further amendment.

On the rush to consider it too quickly, I know that Conservative Members are frustrated by this. I see their point. They want to get moving. To have this Bill has been one of their great political campaigns. For the moment it has quite effectively papered over the cracks in the party and their disunity over Europe. They have united in favour of the Bill. It is useful political tool.

Mr Aidan Burley (Cannock Chase) (Con): Does the hon. Gentleman accept that the reason we introduced the Bill in this way, which may be sub-optimal, is that his party would not allow us to have proper scrutiny of it in Government time? It is a bit rich for him to criticise us for not scrutinising properly when his party stopped us having a proper debate in Government time.

Martin Horwood: If the implication is that the Government have not provided enough time—

Mr Burley: Your party.

Martin Horwood: If the implication is that my party within the coalition has not consented to provide enough time for the scrutiny of a European referendum Bill then the hon. Gentleman could not be more wrong. I am sure the Minister will support me, as he and I spent many, many happy hours debating this precise subject over weeks and weeks during the passage of the European Union Act 2011, which put into practice what was then Conservative policy and was Conservative party policy at the last general election. At that stage, the Liberal Democrats were still in favour of an in/out referendum, as we are now. We were faced with having to concede that we had instead a Bill on the rather novel formula that there is a transfer of power prompting a referendum on the treaty change. That is fine. We were happy to go along with that. It was not our ideal piece of legislation, but nevertheless we spent hours and hours of Government time banging on about Europe.

We cannot have a situation where one of the coalition parties comes along every two years or so, changes their policy and demands that we revisit the entire process all over again. We had a coalition agreement to move forward with an EU Act, and we have fulfilled that obligation. There are many other important issues relating to jobs, the environment, crime and so on, which the Government ought to move on with. We still have not found time to put 0.7% of gross national income for international development into legislation, though I am proud that the Government have fulfilled that promise.

If we are struggling to find time for things as important as that, I do not think we should allow Government time to reopen debates that we have already covered at inordinate length with the likes of the hon. Member for Stone (Mr Cash) and many of his friends. I am in danger of wavering off the main issue of the programme motion, although I am sure Mr Benton will drag me back. I must try to resist hon. Members' temptations to deviate to other subject matter.

Mr Sheerman: The hon. Gentleman is more experienced than I am in the David and Goliath situation. I know he feels sympathy. It seems that we have the Goliath of the Government saying, "We want this and we want it now. We do not want any parliamentary procedures to get in the way of getting it through as fast we possibly can." Does he agree that it is a David and Goliath situation?

Martin Horwood: I am afraid the hon. Gentleman has misconstrued again. We have to be clear that this is not a Government Bill. It is not a Bill that is moving forward with the consent of the coalition Government. *[Interruption.]* I am interested to see that Ministers are here. We have Ministers present on these Bill Committees sometimes.

The Chair: Order. I ask the hon. Gentleman to come back to the sittings motion. It is not in my interest or anyone else's to hear about the machinations in the coalition. I ask you to keep to the sittings motion.

Martin Horwood: I apologise, Mr Benton. You are absolutely right. I will try to resist temptation from various hon. Members to deviate from the main subject.

I have three main arguments why the programme motion is not fit for purpose and why it should specify that we do not debate the substantial clauses today certainly, and I would say not for some time, effectively into the autumn sittings.

First, the economic and political implications deserve proper consideration. In the House, we have been arguing for so long about having votes for referendums that it takes an effort of will to realise that we are now talking about it for real. This is a substantial argument that could affect people's jobs, Britain's standing in the world, the viability of the single market, and our co-operation with other European countries on justice and home affairs.

Only this week, we voted to opt into a series of measures on justice and home affairs. We specifically voted, subject to a couple of red lines, to take part in Europol, a European Union institution. To have a referendum that throws into doubt our co-operation in Europol and all those other justice and home affairs measures is a major step. We need to start exploring the implications of these things and whether other steps would need to be put in place in the intervening years to maintain some level of co-operation, albeit inadequate, in some of those areas.

There are the implications of climate change, and our global negotiations through the UN framework convention on climate change, where we have played a leading role *[Interruption.]* The hon. Lady tuts, but I attended the UN FCCC negotiations in Cancun and saw a British Energy Secretary playing a leading role in those global negotiations with the Americans and the Chinese, by virtue of the fact that he was representing the European Union view. I doubt he would have been at the top table if we had not been members of the European Union.

What is our role in the UN FCCC if we go forward with the referendum? Are we implying that we would have separate representation? Are we to remain members of the European emissions trading scheme? That is not clear.

All those things need to be debated and we should not rush to legislate on a pre-emptive referendum. The implications of the timing provided for by the Bill need to be properly understood before we move forward. Otherwise, we might inadvertently agree to timing that would do real damage to our standing in the world, our role in controlling climate change and our ability to access markets and take part in free-trade agreements. There would be many political implications with consequences for jobs and the welfare and well-being of citizens of this country, and we need time to understand them.

4 pm

There would also be legal and legislative implications, which, as with the Joint Committee on Privacy and Injunctions, it is worth taking time to consider. As I pointed out on Second Reading, the Bill appears to have been drafted as if the Political Parties, Elections and Referendums Act 2000 did not exist. There is no reference to it anywhere, yet that Act was designed to lay down ground rules under which referendums would be held, including, importantly, the role of the Electoral Commission in passing judgment on the questions in a referendum and advising the Government on the exact

wording. The sittings motion does not specify that we shall take our time and listen, for instance, even to informal views expressed by the Electoral Commission, let alone consider amendments whereby its advice would be incorporated in the Bill, but we should not rush to legislate, thereby making the Bill much more vulnerable to attack in another place and open to criticism that it has not been properly thought through.

I have referred to the European Union Act 2011.

Jim Dowd: The last of the few paragraphs in the Library document says that the Bill takes account of the role of the Electoral Commission in oversight of referendums, but makes no reference to the 2000 Act, section 101 of which states that the legislation applies to any UK referendum held under a UK Act of Parliament. If the Bill makes progress, at whatever speed the Committee decides, it will be deficient and defective.

Martin Horwood: The hon. Gentleman makes a valid point that precisely reinforces the need to take our time, pause for breath before we rush into clause-by-clause consideration and take proper legal and constitutional advice on how the Bill relates to other legislation, such as the 2000 Act. I am sure he will make that point when we come to those substantial discussions.

On the interrelationship between the Bill and the 2011 Act, that legislation was passed only two years ago with full Government support, and the Minister then argued vociferously that we needed not a Bill of this type, but one of that type. It will be interesting to see how he transforms his arguments to say, actually, that was wrong and we now need not that kind of Bill, but this kind.

There are serious issues involved. We passed the 2011 Act into law. It is rather complicated, as I found when I sat down to draft an amendment that would link up with that Act through the mechanism of the transfer of power described in the Bill. If we are to amend or repeal the 2011 Act, as would seem logical in relation to the Bill, we need time properly to consider how to do it, but we are in danger of having no time to do so. The 2011 Act is not simple legislation that says, "We have a referendum under these circumstances." Its starting point is ratification of a treaty change, and it states that treaty change cannot happen without the referendum condition being met. The referendum condition is met by holding a referendum except in the exempted circumstances. The exempted circumstances are those in which no essential transfer of power takes place; those are listed at length.

If we go ahead with the Bill without having properly debated and programmed in considerations with respect to the 2011 Act, we might end up in the ludicrous situation of having both Acts in force at the same time. We should consider the implications of that. We might hold our great in/out referendum by 2017 while simultaneously talking about holding a referendum under the 2011 Act on a treaty change that was taking place at the same time. We could save a lot of public money, I suppose, by holding both those referendums on the same day; but what if we voted yes to the treaty change but no to in/out, or the other way around, and so had incompatible results from the two referendums? In practice, if we pass the Bill, the 2011 Act will be nonsense.

It is therefore quite clear that the Bill should incorporate a repeal of parts or all of the EU Act 2011. We need serious time to be advised, probably by parliamentary agents and lawyers, on how exactly we would go about drafting amendments that could take apart a major piece of legislation, so that we do not create a complete constitutional nonsense.

The added complication, of course, is that we cannot simply repeal the 2011 Act, because some bits are quite good. I occasionally find myself in rare agreement with the hon. Member for Stone, because it is good that the EU Act mandated this Parliament to give much greater scrutiny to EU affairs and the decisions that Ministers take to European Councils. I think we stretched things rather far the day that we debated, on the Floor of the House, whether the programme of the European Parliament should be published in electronic format. That apparently needed a debate on the Floor of the House, whereas such a debate is seemingly not justified for the Committee stage of a Bill on a referendum on EU membership.

The essential idea of the EU Act—that there should be much greater scrutiny by national Parliaments of policy conducted by our Ministers, on our behalf, at European level—is a very good one, and I want to retain some elements of that notion. Again, therefore, we need time to take proper legal and constitutional advice on exactly how to construct amendments to repeal or amend, or repeal in part, the European Union Act 2011.

Mr Burley: On a point of order, Mr Benton. I am struggling to work out how repealing part of the European Union Act has anything to do with the time scale for the Bill. Could you give me some guidance?

The Chair: I made the same ruling earlier on: the point has something to do with the context because it supports the appeal about the adjustment to the motion that we are discussing. It is relevant. I reassure you, again, that any Member who goes out of order will be ruled out of order.

Martin Horwood: Thank you, Mr Benton. I am grateful for your ruling, because it is absolutely right that if we are to consider—[*Interruption.*] There is a great tutting and whistling through teeth from Conservative Members on the Government Benches; perhaps one of them would like to make an intervention to explain exactly how we will amend the European Union Act 2011 to prevent complete constitutional nonsense should the Bill become law. If we do not make the time to take proper legal and constitutional advice before moving amendments on that issue—or, perhaps, not moving them at all—the Bill will be torn to pieces in the House of Lords. It is in the interests of the Bill's supporters not to make it the Dangerous Dogs Act of constitutional reform: they should not turn it into an example of how rushed law is bad law.

Emma Reynolds: Does the hon. Gentleman agree that if we were to scrutinise the substance of the Bill come September, during the intervening parliamentary recess there would be more time for exploring the legal implications that he talked about?

Martin Horwood: Yes, that is exactly right, and I am grateful to the hon. Lady for that point. The idea that the Bill is simple is charming, but utterly misleading. It is complicated and has complicated implications for other legislation, for economics and for the politics of this country. We need to give it due consideration.

My third point is that there is a very strong case for evidence sessions. In that sense, the programme motion perhaps needs some amendment and, at the end of my remarks, I might venture to propose a further amendment to it on that basis. The argument for evidence sessions is that, if we are to have about 10 evidence sessions for the Defence Reform Bill, to consider the implications of—

The Chair: Order. I am sorry to interrupt the hon. Gentleman's flow, but only the House can make a judgment on evidence sessions; the Committee cannot.

Martin Horwood: Further to that ruling, Mr Benton, may I ask you whether it would be within the power of the Committee to use some of the sessions available to it to take evidence if it wanted to? That is within the powers of—

The Chair: Order. It is not within the power of this Committee to take evidence. That remains the prerogative of the House. I hope that that is clear.

Martin Horwood: In that case, I will continue with my remarks, but could I perhaps ask the Clerk and the Chair to confer as I speak and advise me at the end of my remarks on how I can take forward my argument.

Jim Dowd: On a point of order, Mr Benton. Could you clarify this point? Draft Bill Committee procedure is to take evidence, and I accept that entirely, but other Committees are at liberty to make a request to the House to give them powers. Would it not be in order for us to pass a resolution asking for the House to give permission to have such sessions as the hon. Member for Cheltenham suggests?

The Chair: My understanding is that that is not possible with a private Member's Bill. You are perfectly right about public Bills, though. That is the legal ruling.

Martin Horwood: I am grateful for that advice, Mr Benton, but I would not mind seeing whether we could have more substantial advice on that, because this is a major issue. There must be some mechanism for when a Bill Committee meets and suddenly realises that it is not dealing with a simple two-page Bill at all, but with something that has enormous and complicated implications—not least legal and constitutional implications—and feels the need to take evidence.

On the types of evidence I was considering, the case has already been made for hearing from Ministers, who might want to explain the implications of various aspects of holding a referendum. Certainly, we should hear evidence from the Electoral Commission on the wording of the referendum question, the holding of any referendum, the mechanics behind it and whether the Bill is adequate for that purpose. We could take academic advice on the constitutional implications—the Liberal Democrats' Whips Office has already been contacted by the former Member

for Cambridge, who is a reader in law at Cambridge university and already has strong views on the Bill, which I am sure he would be willing to share at length with the Committee; that would be an entertaining and enlightening process.

Bodies such as the Association of Chief Police Officers representing police in England and Wales, and perhaps Scotland as well, might want to discuss the implications for law and order, defence co-operation and whether we should still have a British head of Europol as the process goes forward—

The Chair: Order. I hope that this proves to be of help to the hon. Gentleman. The legal ruling I just gave is correct. The learned Clerks are working on an explanatory note at the moment. It is a matter for another day who could give evidence, if that became possible. At the moment, I hope that he will accept my ruling that it is the prerogative of the House to decide whether evidence is taken. Mr Dowd's suggestion can be looked into, but for the time being that is the ruling. I hope that that will be accepted.

Martin Horwood: I am very grateful for your ruling, Mr Benton, and of course I accept it, but it does raise some difficult questions. If we are to look at this another day or in due course, the problem is that, by then, we might have moved on to substantial discussion of the clauses, which is precisely the situation that makes many of us unhappy, because we will have passed the moment when we could have learnt from evidence on the constitutional, economic and other implications of the Bill, in order to come back and amend those clauses. Indeed, they might be passed this afternoon.

I am therefore not quite clear how we take forward the request for evidence to be heard. That request is made seriously: it will help to defend the Bill in its later stages in the House of Lords and it is badly needed, certainly in terms of the constitutional and legal implications and the relationship to other legislation. We may now be seeking advice on whether we should adjourn to wait for the advice, but I am in your hands, Mr Benton.

4.15 pm

I was bringing my remarks to a close, but I wanted to raise the issue of the franchise. We have an extraordinary situation for which we need some evidence—I am sorry, Ministers obviously have the talent of being able to talk and read notes simultaneously, but I am not quite so good at it. I have been handed a note, which states that the power to take evidence is given to a programmed Public Bill Committee under Standing Order No. 84A(2). The House may give other Public Bill Committees that power by a motion under Standing Order No. 63(2)(b). I am not entirely aware of the implications of that—I am not sure where that leaves us today on what steps we can take to defer consideration of the substantial clauses in the Bill, which is the case that I am trying to make.

Mr Bain: The hon. Gentleman suggest that the implication of the note, which obviously gives an interpretation of House Standing Orders, is that the House collectively can provide the Committee with the powers to take evidence from expert witnesses. Could the issue be raised at business questions tomorrow and

through the usual channels, so that the House collectively is able to have a debate and to vote on whether the Committee has been given the proper tools to scrutinise the Bill?

Martin Horwood: In my view, that would be perfectly appropriate to ask at business questions, provided that the Committee had not already motored on and started debating the substantial issues. If so, active consideration of adjourning our proceedings might be appropriate, once we have completed our debate and voted on the programme motion. We should hold off from the substantial business of the Committee—that would be a wise thing to do, but I am entirely in the hands of the Chair and the Clerks for the exact procedure to be followed.

One of the other failings of the programme motion is that it will not allow us time to gain adequate advice and evidence on the franchise. The Bill might put us in a bizarre situation. The Westminster franchise is to be used for the referendum, so we might have Maltese and Cypriot citizens in this country able to vote, but not Gibraltarians, despite the fact that Gibraltarians would be forced to exit the European Union along with us if the referendum went that way. That is a major constitutional and quite a big political issue for a country that has, in the case of the Falklands and elsewhere, famously defended the rights of small territories to have self-determination and not to be bounced one way or the other by larger countries.

We could learn from the implications of the experience of Denmark. Greenland is the only territory that has left the European Union; it is under the Danish Crown, but not part of the Kingdom of Denmark, a situation parallel to that of Gibraltar. Such issues are complicated, and we need time—militated against by the programme motion at the moment—to consider the issues properly.

Emma Reynolds: Has the hon. Gentleman had time since the constitution of the Bill Committee to look at the detail and to seek legal advice about whether Gibraltarians should be in the franchise under the Bill? Given that in European parliamentary elections, they have the right to vote, it is perhaps relevant that the franchise should be extended to them for the referendum. I have not had the time to seek that legal advice, however—has he?

Martin Horwood: No, I have not. I am afraid that the meagre resources of the Liberal Democrat parliamentary party do not compare with the well-funded resources of either the Labour party or the Conservative party—I will not get into who funds them. We need a bit of time to find people who will give that kind of constitutional advice for free and help us with drafting amendments. To rush through the substantive part of the Bill too fast would be a huge mistake.

My final point on the franchise concerns the implications of the Scottish referendum and the interactions between this and the Scottish situation. If, in the meantime, Scotland had voted for independence, we would be in a bizarre situation. Under the Westminster franchise of granting rights to Commonwealth citizens, it might not be clear whether Scotland would be part of the Commonwealth.

In many cases, Scotland's declaration of independence might mean that it would have to reapply to organisations such as the European Union. There might be a hiatus while it reapplied for Commonwealth membership, so it would not be clear whether Scottish citizens residing in England and Wales would have a vote in the referendum. That is yet another complicated constitutional and legal issue on which we should take advice before hurtling into consideration of the main clauses.

Mr Bain: I entirely agree with the point the hon. Gentleman is making. The Foreign and Commonwealth Office helpfully provided advice for those of us in the Better Together campaign, and those who believe more widely in the UK remaining one state, about Scotland's position in relation to the EU. Is it not essential, before we begin the detailed line-by-line scrutiny of the Bill, to have similar analysis from the Foreign and Commonwealth Office about the implications for the franchise if Scotland had decided to leave the United Kingdom in the meantime?

Martin Horwood: The hon. Gentleman makes an excellent point. We are venturing into a legal and constitutional minefield. The Bill has some bizarre political implications for the Scottish dimension. If people who want independence for Scotland and Scottish membership of the European Union thought that the British Government would try to make that difficult, they might have an incentive to vote no in the British referendum on European Union membership to make sure that Britain is not a member of the EU when the time came for Scotland to reapply so that it could vote yes to Scottish membership of the EU and enter by the back door, leaving England out in the cold.

That is a convoluted political scenario, but it shows the complexity of some of the issues, and the interplay between Scottish, Commonwealth and British citizenship and the franchise, on which we need proper legal and constitutional advice before we proceed to line-by-line consideration.

We have had some debate on the timetable and the programme motion, but we need to consider it very carefully. Those hon. Members who support the Bill and want it to succeed may find that on some issues, although we seem to be dividing slightly on party lines already, they have unexpected allies and that some of us are not quite as opposed to referendums as they seem to paint us. At the time of the Lisbon treaty, I voted for an in/out referendum not in four years, but then and there, and I rebelled against my own party to vote for a referendum on the Lisbon treaty. I like referendums and my party likes referendums. We have backed every other referendum that has been held on the European Union, Scotland, Wales, Northern Ireland and the alternative vote.

As I said on Second Reading, we cannot win them all, but we like referendums. We are in favour of an in/out referendum and have been consistently in favour for many years. We have not changed our position, but it is very important that we do not rush into the Bill in a way that makes it vulnerable to being torn to pieces in the House of Lords and rubbished by anyone who has looked into the serious constitutional and political implications. I am very unhappy with the programme motion.

Jim Dowd: I will observe the niceties first. I once served on a Committee with the late Tony Banks who became Lord Stratford. He was one of the House's great characters and iconoclasts. He told me that he once thought that he would stand up in a Committee and say that he was thoroughly depressed by the occupant of the Chair and that he was a crashing bore, if only to create a difference from the normal civility of people welcoming the Chair and serving under their chairmanship. I have no recollection that he actually did that and I do not think he did. I will certainly not be doing that today because, Mr Benton, although I enjoy cordial relations with every member of the Panel of Chairs, you are one of my favourites. After that ingratiating, I will move on to the business before us.

I am in two minds. I support much of what my hon. Friend the Member for Wolverhampton North East said and particularly the points she and the hon. Member for Cheltenham made on the detail of the Bill. The Bill is a very strange creature. As I said on Second Reading, I am a member of the Labour for a referendum campaign, as indeed is my hon. Friend the Member for Luton North and my right hon. Friend the Member for Leicester East, who are no longer in their places. We hope to persuade our Front Bench to move position so that a Labour Government after 2015 would effectively be offering an in/out referendum.

I am in two minds about this because it is the duty and the role of every Member of Parliament—and of Parliament itself—to apply the most careful scrutiny and examine in the fullest detail possible every piece of legislation that comes before this House. In this way, it can ensure that it does have the effect outlined and intended and ensure that any unintended consequences are addressed as far as possible. I know that there is a concern that programme motions have in fact diluted the ability of Parliament to do this: whole swathes of Bills go through without the detailed scrutiny that they merit.

In opposition, the Conservative party used to rage mightily against the iniquity of the Labour Government bringing forward programme motions after Second Reading, but of course it is a device of Government. Now that they are the Government, of course programme motions are an essential tool. I accept the degree of hypocrisy involved in that as it is just one of the facets of political life in this place.

Therefore, I am torn. My inclination is to give this Bill the most careful scrutiny, particularly given its import and its potential to disrupt our relationships with our European neighbours and partners—and to affect the future of this nation for many decades, if not generations, to come—but my other reaction is that it is not a real Bill at all, just a political ruse. The hon. Member for Cheltenham mentioned previously that it is a device, whose sole beneficiaries are not the British people but the Conservative party. It is a device that has been concocted to get over the problems the Conservatives have had with people banging on about Europe—the fruitcakes, the closet racists and God knows who else over recent years.

Therefore, my instinct in the second case is to get this thing out of the way as quickly as possible, to waste the bare minimum of time on this Bill and leave all of us to do something far more productive and useful than dealing with such a bizarre measure as the one we are

looking at today. I can understand that the hon. Member for Stockton South is a young man in a hurry. Perhaps his efforts to get it dealt with as soon as possible simply reflect the impetuosity of youth—I do not know. Bernard Shaw once famously said that youth was far too valuable to be wasted on the young. Nonetheless, a bit more caution and a more measured approach on his part would not necessarily do his cause any harm at all.

I speak as somebody who used to glory in the title of being one of the Lord Commissioners of Her Majesty's Treasury. The First Lord is, of course, the Prime Minister, the Second Lord is the Chancellor and the other five are functionaries in the Whips Office. I was one of those. This room may not be entirely uncontaminated by such a functionary at this very moment, although we cannot see that part of the room and so it does not really exist.

One of my responsibilities in my previous role was to deal with private Members' business. I did that for the four years of the first Blair term, from '97 to 2001. I learned a number of things during that time. I especially remember dealing with the first Bill drawn up in '97 by one of the new Members, which led to the Hunting Act 2004. It did not succeed as a private Member's Bill, but its principles went into law.

One learns a lot of things about how to deal with private Members' Bills—the techniques and tricks that the Government can use to support them, and how to ensure their safe passage through this House and the Lords, where the Government's control is far more constrained. I advise the hon. Member for Stockton South to look at how the Bill will be treated. I have absolutely no doubt that, come what may—whether or not the amendment from the hon. Member for Cheltenham is accepted, we defeat the sittings motion and revert to having Standing Committee C on a Wednesday—the Bill will return to the Floor of the House on Friday 8 November.

4.30 pm

I omitted to mention that I am grateful to the hon. Member for Stockton South for inviting me to serve on the Committee. I was happy to accept, and with some alacrity. I do not want to tell him what is best for him, but I urge him to consider how the haste implicit in the sittings motion will play in later stages of consideration.

Standing Committee C was traditionally the recipient of private Members' Bills, and it used to meet only on Wednesday mornings, before that changed to Wednesday mornings and Wednesday afternoons. It sat on Wednesdays because Government Bills were not discussed on that day, so it prevented hon. Members from having to attend two Bills at the same time. That practice did not completely remove such conflicts, but it minimised them. I find the idea of meeting on a Tuesday somewhat strange, because it deviates from that principle.

Emma Reynolds: So that the Committee can benefit from my hon. Friend's vast experience, will he tell us whether, when he assiduously carried out his then role as a Government Whip, he ever encountered a private Member's Bill that sat on a Tuesday?

Jim Dowd: No, that did not happen. The Government used several devices with other Bills; these are all matters of history that can be checked. The Wild Mammals (Hunting with Dogs) Bill Committee, for example, was

kept in Standing Committee C and everything else rolled up behind it. Once it cleared Standing Committee C, we had a backlog of other Bills that we needed to get through. It is up to the Government to open other Committees, and we opened a further five or six: H, J, K, L and so on. We paralleled all the other Bills through so that the timetable for private Members' business was not interfered with. As far as I am aware, we never had to resort to meeting on a Tuesday. There is nothing to prevent people from doing so, but it is highly unusual.

Emma Reynolds: Will my hon. Friend confirm that the hunting Bill had its Second Reading on 28 November 1997, but the Bill Committee did not sit until 17 December 1997? That period between Second Reading and Bill Committee seems to have been longer than it was in this instance.

Jim Dowd: Traditionally, in my experience, that has been the pattern. The Committee of Selection meets the week after Second Reading, and the Bill Committee meets the week after that, so there is normally the best part of a fortnight before the Bill Committee starts.

Traditionally, the first meeting covered only the sittings motion before the Committee moved on to other things. The Bill is unusual in that it has virtually unlimited support from most of the various organs and parts of the Conservative party. I have not yet detected the fingerprints of Mr Lynton Crosby, but one never knows what resources can be called on.

Martin Horwood: One of the curiosities of the Bill is that it would allow a vote to Mr Crosby, as a Commonwealth citizen, but deny a vote to the Gibraltarians, who would be expelled from the European Union as a result.

Jim Dowd: I thought that the hon. Gentleman was going to say that the Bill would give Lynton Crosby a vote but not Len McCluskey.

Anomaly, contradiction and inconsistency are the hallmarks of the Bill. I am, however, partly of the mind that it is not serious—that it is a political stunt and not meant to be taken seriously. If the Bill does make it through both Houses and becomes an Act, I am certain that, come what may, it will never be implemented in this form. Any future Government will either repeal it or replace it.

If there is a majority Conservative Government after the next election, they will bring forward an entirely different measure. If there is a majority Labour Government, I hope to convince them to bring forward a programme of renegotiation with the EU and a commitment then to subject that to referendum, which is exactly what Harold Wilson's Labour Government did in 1975, when, incidentally, I voted no.

4.36 pm

Sitting suspended for a Division in the House.

4.51 pm

On resuming—

Jim Dowd: As I was saying, if there is a majority Labour Government, I hope that they will offer exactly the same prospectus to the British people as in 1975. If there is another coalition of any kind, the whole thing will just be locked into the state we are in today.

The choice is whether it is better not to prolong the agony of this demented Bill and dispatch the measly offering as swiftly as possible, wasting no more time on it. I am absolutely certain that, if we carry on with this trajectory, it will not make it through the building, but then I am not sure that that is the intention. My instincts are that we should give the Bill the consideration and critical examination that it merits.

I have absolutely no doubt that the sittings motion will be agreed. The Conservative party was whipped on Second Reading—as I was saying earlier to my hon. Friend the Member for Wolverhampton North East, that is completely unprecedented on private business in my experience of 21 years in the House. I presume that the Committee is also whipped. I have noticed during the afternoon that supervisors have been popping in from time to time to ensure that everyone is behaving in an appropriate manner, which they have done so far. However, I caution Conservative Members against hubris.

One of the most depressing facets of parliamentary life is being a Government Back Bencher; a private Member's Bill, by extension, is the same thing. They just have to sit and not say very much, knowing full well that they have the votes to carry it off in the end. But that is the penalty of a democracy; we have to listen to people with whom we do not necessarily agree. I caution a degree of humility in what people do, and a degree of patience. I am certain that the sittings motion will go through and, to save time, I offer my apologies for the afternoon of 4 September because I will be otherwise engaged.

Finally, there is no need to rush. There is no need for Tuesday sittings—none at all. It is only the Wednesday morning sitting that is constrained because it has to finish at 11.30 am. It sits from 8.55 am, despite the argument about 8.55 pm, and the afternoon sitting, of course, can go on for as long as it likes. There is no need for it to be completed at any other time, so I do not understand the rationale behind the motion, unless it is to minimise the opportunities for tabling amendments.

The only other reason why the Tuesday is referred to in the motion is as a wrecking manoeuvre, which does the hon. Member for Stockton South no credit. He has handled himself very well so far. He has a difficult job in getting the Bill right through Parliament, but he would do well to reflect on what I have said.

The Chair: I inform Committee members that they are voting on the sittings motion with the typographical error corrected.

Question put.

The Committee divided: Ayes 8, Noes 4.

Division No. 2]

AYES

Burley, Mr Aidan	Smith, Miss Chloe
Ellwood, Mr Tobias	
Hart, Simon	Wharton, James
Latham, Pauline	
Lidington, Mr David	Williamson, Gavin

NOES

Bain, Mr William
Dowd, Jim

Horwood, Martin
Reynolds, Emma

Question accordingly agreed to.

Resolved,

That the European Union (Referendum) Bill Committee do meet on Tuesdays at 2.00 pm and Wednesdays at 8.55 am and 2.00 pm on days when the House is sitting.

Clause 1

REFERENDUM ON THE UNITED KINGDOM'S
MEMBERSHIP OF THE EUROPEAN UNION

Emma Reynolds: I beg to move amendment 30, in clause 1, page 1, line 2, leave out 'is to' and insert 'may'.

The Chair: With this it will be convenient to discuss the following:

Amendment 31, in clause 1, page 1, line 3, at end insert—

'if there is a further transfer of power from the United Kingdom to the European Union'.

Amendment 32, in clause 1, page 1, line 3, at end insert—

'(1A) A transfer of power is defined in Schedule 1.'

Amendment 33, in clause 1, page 1, line 4, leave out subsection (2).

Amendment 2, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'on a date to be determined'.

Amendment 3, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert—

'on a date to be determined by a Royal Commission on the future of the United Kingdom in Europe'.

Amendment 4, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'on 22 May 2014'.

Amendment 5, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'on 6 May 2015'.

Amendment 6, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'before 31 December 2014'.

Amendment 7, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'before 31 December 2015'.

Amendment 8, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'before 31 December 2016'.

Amendment 9, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'before 1 July 2017'.

Amendment 10, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'before 31 December 2018'.

Amendment 11, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'before 31 December 2019'.

Amendment 12, in clause 1, page 1, line 4, leave out 'before 31 December 2017' and insert 'on the date of the General Election in May 2020'.

Amendment 13, in clause 1, page 1, line 5, leave out from 'shall' to end of line 6 and insert—

'establish a Royal Commission to consider the arrangements for and timing of the referendum and recommend the date or dates on which the referendum is to be held.

(3A) The Royal Commission established under section 1(3) is to report to the Secretary of State within 24 months of its establishment.

(3B) The Secretary of State shall introduce legislation to enact recommendations of the Royal Commission.'

Amendment 28, in clause 1, page 1, line 5, leave out from 'shall' to end of line 6 and insert—

'establish a Royal Commission to consider the arrangements for and timing of the referendum and recommend the date or dates on which the referendum is to be held.

(3A) The Royal Commission established under section 1(3) is to report to the Secretary of State within 18 months of its establishment.

(3B) The Secretary of State shall introduce legislation to enact recommendations of the Royal Commission.'

Amendment 29, in clause 1, page 1, line 5, leave out from 'shall' to end of line 6 and insert—

'establish a Royal Commission to consider the arrangements for and timing of the referendum and recommend the date or dates on which the referendum is to be held.

(3A) The Royal Commission established under section 1(3) is to report to the Secretary of State within 12 months of its establishment.

(3B) The Secretary of State shall introduce legislation to enact recommendations of the Royal Commission.'

Amendment 34, in clause 1, page 1, line 5, leave out ' , and before 31 December 2016,'.

Amendment 36, in clause 1, page 1, line 6, at end insert—

'(3A) The Secretary of State shall appoint the date on which the referendum is to be held at least 28 weeks in advance of the proposed polling day.'

Amendment 37, in clause 1, page 1, line 7, after first 'The', insert 'only'.

Amendment 38, in clause 1, page 1, leave out lines 8 and 9 and insert "'Should the United Kingdom remain a member of the European Union?'"

Amendment 14, in clause 1, page 1, line 8, leave out 'should be' and insert 'should remain'.

Amendment 16, in clause 1, page 1, line 8, leave out 'be a member of' and insert 'leave'.

New schedule 1—*Transfer of powers*

1 Subject to section 1(a), a "transfer of power" involves one or more of the following—

- (a) the extension of the objectives of the EU as set out in Article 3 of the Treaty on European Union;
- (b) the conferring on the EU of a new exclusive competence;
- (c) the extension of an exclusive competence of the EU;
- (d) the conferring on the EU of a new competence shared with the member states;
- (e) the extension of any competence of the EU that is shared with the member states;
- (f) the extension of the competence of the EU in relation to—
 - (i) the co-ordination of economic and employment policies, or
 - (ii) common foreign and security policy;
- (g) the conferring on the EU of a new competence to carry out actions to support, co-ordinate or supplement the actions of member states;

- (h) the extension of a supporting, co-ordinating or supplementing competence of the EU;
- (i) the conferring on an EU institution or body of power to impose a requirement or obligation on the United Kingdom, or the removal of any limitation on any such power of an EU institution or body;
- (j) the conferring on an EU institution or body of new or extended power to impose sanctions on the United Kingdom;
- (k) any amendment of a provision listed in Schedule 1 that removes a requirement that anything should be done unanimously, by consensus or by common accord;
- (l) any amendment of Article 31(2) of the Treaty on European Union (decisions relating to common foreign and security policy to which qualified majority voting applies) that removes or amends the provision enabling a member of the Council to oppose the adoption of a decision to be taken by qualified majority voting;
- (m) any amendment of any of the provisions specified in paragraph 3 that removes or amends the provision enabling a member of the Council, in relation to a draft legislative act, to ensure the suspension of the ordinary legislative procedure.

2 A transfer of power also includes a reference to the removal of a limitation on a competence.

3 The provisions referred to in paragraph 1(m) are—

- (a) Article 48 of the Treaty on the Functioning of the European Union (social security),
- (b) Article 82(3) of the Treaty on the Functioning of the European Union (judicial co-operation in criminal matters), and
- (c) Article 83(3) of the Treaty on the Functioning of the European Union (particularly serious crime with a cross-border dimension).

4 A treaty or Article 48(6) decision does not fall within this section merely because it involves one or more of the following—

- (a) the codification of practice under the Treaty on European Union or the Treaty on the functioning of the European Union in relation to the previous exercise of an existing competence;
- (b) the making of any provision that applies only to member states other than the United Kingdom;
- (c) in the case of a treaty, the accession of a new member state.⁷

Emma Reynolds: Amendment 30 would provide for a referendum on our membership of the EU to be discretionary, not mandatory. Other amendments in my name relate to my contention that a referendum should be held if there is a significant transfer of power. In fact, I have tabled new schedule 1, to which amendment 32 points, relating to transfers of power.

Some of my other amendments and those of my hon. Friends relate to the timing of any referendum. I am concerned in particular about the arbitrary nature of the date of 31 December 2017. Amendment 36 would ensure that the Secretary of State gives at least 28 weeks' notice of any polling day.

5 pm

There are also various amendments—one in my name—to the nature and in particular the wording of the question that would be put should the Bill become law. As I said in our discussion on the sittings motion, the question is a really important part of our considerations today. The amendments on clause 1 are wide ranging, and my arguments will fall into different categories.

My first argument is that the referendum commitment should be discretionary, not mandatory. My second argument, which is in regard to the timing of a referendum, is that there are economic risks in pledging a referendum for four years' time. My third argument is that the EU itself is in a state of flux, with eurozone member states wishing to integrate their economies more closely. My fourth argument is about why we should have a referendum now when there has not been a recent transfer of power. We did not have a referendum in the 1980s on the Single European Act or in the '90s on the Maastricht treaty. Referendums could have taken place when the Conservatives were in government.

My fifth argument is about enlargement, and I will come on to that. My sixth argument is about how I think the referendum commitment in the Bill actually weakens the position of our Government. My seventh argument will be about the wording of the question, and my eighth argument will be about parliamentary sovereignty.

Jim Dowd: On the question of the question, has my hon. Friend noticed that the only significant deviation from the prototype Bill that was issued by the Conservative party was the change in its wording to remove the word “remain”?

Emma Reynolds: I did notice that substantial change, and I will come on to it in a bit more detail in my remarks. If we are to believe what we read in the *Daily Mail*, and I am not saying we should—the hon. Member for Stockton South might want to put this right because I am saying only that it is a rumour; I am not saying that it is the truth—Eurosceptics in the Conservative party were concerned that including the word “remain” would lead people to vote for the status quo.

Obviously, there are many Conservative Members who do not want the status quo. In fact, a large number of Conservative Members want the UK to leave the European Union. I do not know whether the rumour of the reason for the change is true, but my hon. Friend raises a valid point. As I understand it, that is the only difference between the draft Bill that we saw during the course of the Queen's Speech debate and the Bill that is before us today.

My first argument is central to amendment 30: the Bill should not make a referendum compulsory. None of us know who will be in government in 2017. There might be a majority Labour Government, a majority Conservative Government, or a coalition of some kind—

Mr Sheerman: There might be a Liberal majority.

Emma Reynolds: There might be a Liberal majority—who knows? The hon. Member for Cheltenham might be involved in the next Government. We simply do not know which party or parties will form the Government in 2017, so it is not appropriate for this Parliament to seek to bind the next one on this extremely important constitutional matter.

When we have had referendums in the past—I cannot think of an exception, but if hon. Members know of one, I will be interested to hear about it—they have been carried forward from an election manifesto commitment. That was what happened with the alternative vote

[Emma Reynolds]

referendum, and it is what I understand happened in 1975. Let us not forget that, as my hon. Friend the Member for Lewisham West and Penge said, only a Labour Government have given this country a say on the European Union.

Martin Horwood: As another little point of information—I seem to be correcting people’s perception of Liberal Democrat policy, so we obviously need to communicate it a bit more clearly—the Liberal Democrats have never been committed to anything on the alternative vote. We remain in favour of the single transferable vote and multi-member constituencies, which was what was in our manifesto. That policy was something of compromise that we were perhaps unwise to accept, which is a lesson for the future.

Emma Reynolds: I apologise on the point of detail, but I am trying to make a point of principle. Perhaps a more accurate description is that the Liberal Democrats’ 2010 manifesto advocated a referendum to change the voting system. If the Bill were to bind the next Parliament to hold a referendum, it would be a first, as far as I am aware, in this country’s constitutional history. Previously, there has always been a manifesto commitment before a referendum. That was the case when we had a referendum on Scottish devolution, as it was on the referendum regarding the then European Economic Community in 1975, and I am sure there are many other examples of which hon. Members with a longer history in the House will be aware.

It is my contention that this Parliament should not seek to bind the next one because we simply do not know which parties will be in power. I feel passionately about that, which was why I tabled the amendment. I do not believe that subsections (1) and (2) of clause 1 should stand in their current form. I would prefer the referendum not “to be held”, but that it “may be held”, which would create space for political parties to make a decision in due course, should they so desire. I also think that the date should not be set in stone.

The Prime Minister’s speech in January was billed as a major European set piece speech—we had been waiting for it since last year. It was trailed for various dates, but had been put off and put off to the extent that the shadow Foreign Secretary, the Leader of the Opposition and I were pretty clear that it would contain a referendum pledge regarding renegotiation. We were therefore not surprised by that element, but given the timing, I think it was added at the last minute, as my hon. Friend the Member for Lewisham West and Penge set out, as a political device to unite a deeply divided Conservative party on the question of whether we should be a member of the European Union. It is regrettable that the Prime Minister, and therefore the hon. Member for Stockton South, have chosen to set an extremely arbitrary date for a referendum on our membership.

Mr Bain: My hon. Friend makes an excellent point. Does she have as much difficulty as me with clause 1, given that the Prime Minister said that it was intolerable to have four years of uncertainty in Scotland after the First Minister set some arbitrary deadline for a referendum? I find it very hard to reconcile that with the Bill.

Emma Reynolds: I am grateful to my hon. Friend for bringing me on to my second argument: the economic risks of setting in stone or pledging—even without the Bill—a referendum in four years’ time.

I seem to remember that when the Scottish National party won its majority, both the Prime Minister and the Chancellor urged the Scottish Government to come forward quickly with their referendum, although the Scottish Government did not want to hold it until 2014. Surely exactly the same logic that applied to the criticism by the Prime Minister and the Chancellor of such a period of uncertainty applies to the Bill’s provision setting a deadline of 31 December 2017 and the Prime Minister’s January pledge.

In fact, only two years ago, on 24 October 2011, the Foreign Secretary said on the “Today” programme that an in/out referendum

“would create additional economic uncertainty in this country at a difficult economic time.”

That was not the only time he suggested that the Conservative party should not give a pledge for a referendum, let alone one with an arbitrary timetable. He also told the House that

“the election manifesto on which we stood as Conservative Members was very clear about the referendum legislation that we would introduce and that, in a coalition, we have now passed into law”—

that relates to a point made by the hon. Member for Cheltenham. The Foreign Secretary went on to say:

“We were also clear, having been asked about this many times during the election, that that did not include the option of an in/out referendum.”—[*Official Report*, 24 October 2011; Vol. 534, c. 56.]

We need to consider what has happened since October 2011, when there was a vote in the House. Government Members—or, I should say, Ministers and the payroll vote—voted against an in/out referendum, and a majority of Opposition Members, albeit not all, also voted against it. There was a significant Tory rebellion against the Government, but back in 2011, the Conservative position seemed to be crystal clear in not seeking a referendum on whether we should remain in or come out of the European Union. What happened between October 2011 and this May? As my hon. Friend the Member for Lewisham West and Penge set out, the vast majority of the Bill’s provisions were published in May, although the word “remain” has now been left out of the question. Perhaps the Minister for Europe will explain what changed in Conservative party policy and the minds of those running it.

5.15 pm

I am deeply concerned that by setting out a pledge in the Bill for a referendum in four years’ time, the Prime Minister is putting in great jeopardy the economic future of our country. We are not in a good economic situation and we need vital foreign direct investment. I am glad to say that in the constituency of the hon. Member for South Staffordshire, which borders mine, Indian-owned Jaguar Land Rover is making a massive investment.

One of the principal drivers of the decision behind the location of that massive investment, which is the biggest that the area has seen for quite some time, is the fact that the UK is a gateway to the rest of the European Union, which is the largest single market in the world. If

we create doubt in the minds of those who are making such decisions, we could put at risk that investment, which will be so beneficial to my constituents and those of the hon. Member for South Staffordshire. Such things represent the greatest danger of the Bill, which comes at a time of great economic instability and merely adds to it. The Government and the Conservative party should bear that in mind, because this Government's priority should be to get the economy back to growth.

That is why the referendum is not only a distraction, given that the Government should be concentrating on economic priorities, but prejudicial and damaging. It could put at risk much of the vital investment that we have seen throughout the country. We have Honda, Nissan and Toyota. We are one of the most open economies in the world, but we also benefit from being one of the largest economies in the largest single market in the world.

Gavin Williamson: Was the hon. Lady ever on record as being in favour of joining the euro for the same reasons that she is outlining? Was she in favour of joining the euro at some stage?

Emma Reynolds: I do not think that that is relevant to the Bill, but—[HON. MEMBERS: "That hasn't stopped you so far!"] Mr Benton, I beseech Government Members not to impugn my integrity with regard to whether I am speaking in order. I have been discussing my amendments for some minutes now and all my comments—you would have told me otherwise—have been in order.

The Chair: Order. It is worth repeating—I have said it twice already—that if I consider that any hon. Member is out of order, I will not fail to say so. The Opposition spokeswoman is not out of order.

Mr Sheerman *rose*—

Emma Reynolds: I give way to my hon. Friend.

Mr Sheerman: On that important point, I am a co-chair of the all-party group on manufacturing and the all-party group on Yorkshire and Northern Lincolnshire. My hon. Friend is right that committing ourselves to a long period of uncertainty over our European membership is increasing the concern of not only big players in manufacturing and other sectors, but also many SMEs. Those SMEs, which are very worried, have linkages with a whole stream of companies across Europe—well-established, long-standing supply chains and other such arrangements.

Emma Reynolds: I thank my hon. Friend for that intervention. He reminds me that the economic benefits of our membership are not solely to do with foreign direct investment, as the Bill could put the UK's economic benefits through trade at risk in two significant ways.

The first is that the rest of the European Union is still our major trading partner—UK businesses export more to the rest of the European Union than to anywhere else in the world. The second risk is due to something that, ironically enough, we saw when the Prime Minister was in Washington and rushed the draft Bill across the Atlantic while we were debating the Queen's Speech. Instead of engaging in that exercise in party management, he should have been talking to President Obama about

the US-EU free trade agreement, which will be highly beneficial to our country. If our membership is in doubt over four years, what is the point of us being in that free trade agreement? Will not our voice not be weakened in those important negotiations because the negotiators on both the US and EU sides will rightly wonder whether we are going to remain a member of the European Union?

Mr Bain: Is my hon. Friend as alarmed as I am at the findings of a report by the Department for Business, Innovation and Skills, which was published in February 2011, that suggest that if we were excluded from the single market—that could happen if the Bill were passed and there was a no vote—our exports would be considerably fewer than if we were in the EU single market? Has she seen the figure on page 14 of the report showing that if we were outside the single market and it took down the rest of its trade barriers, our growth would be 7.4% lower over a 10-year period? Would not that be a devastating consequence of the Bill?

Emma Reynolds: I could not agree more with my hon. Friend. There is a significant risk that the Bill will derail the significant and important economic benefits that we currently derive from our membership of the European Union. My hon. Friend has pointed out some very serious, independent data about what would be lost if we were to leave the EU.

It is not only politicians such as myself and my hon. Friends making that point; other politicians are as well and I should mention those comments before I go on to what business leaders are saying. The Business Secretary—a member of the same party as the hon. Member for Cheltenham—said very clearly:

"Uncertainty is the enemy of investment."

That shows that the Business Secretary is listening to businesses across the country: his comments, which were about this referendum pledge, are in line with what we have heard from business leaders. Sir Roger Carr, until recently the CBI president, said that

"the referendum builds in a degree of uncertainty and business never welcomes uncertainty."

Sir Martin Sorrell, the chief executive of multinational advertising company WPP, who is reputed to support the Conservative party, not the Labour party, said in January of this year:

"A referendum adds to uncertainty—it doesn't diminish uncertainty."

He went on:

"I understand the PM's predicament."

So he was trying to be sympathetic.

"But a referendum creates more uncertainty and we don't need that. This is a political decision, not an economic decision. If I am looking at it from WPP, it isn't good news."

Richard Branson, who is a highly successful entrepreneur and businessman, said something similar:

"An exit would be very bad for British business and the economy as a whole."

Conservative Members need to consider the voice of business in this important debate, because the voice of business is warning that the legislation before us today could derail any economic recovery and further deepen the current economic instability.

[Emma Reynolds]

Further to my second argument about the economic risks and benefits, I wish to make a final argument. The 2017 referendum commitment is damaging—this relates to the comment I made about the United States—because one of the brilliant and significant benefits of our membership is that we are part of an economic juggernaut of 500 million people and the biggest single market in the world.

Being part of that economic and political juggernaut helps us to negotiate with the United States—still by far the largest economy in the world, especially if we look at per capita—and it also helps in negotiations on free trade agreements, such as those that we have already concluded, for example, with South Korea, which brought very good economic benefits to our country. In fact, when I was in Washington two years ago, the Americans were annoyed that the European Union got there first, such is the advantage of our membership of the EU, which could be put in doubt because of this Bill.

Jim Dowd: Does my hon. Friend recognise that the Prime Minister probably understands such things as well as she does? That is why he is somewhat critical of the referendum—not that it should be held, but that he looks forward to voting yes to remaining a member of the European Union.

Emma Reynolds: My hon. Friend makes a valid point. In his speech in January, the Prime Minister seemed to be at pains to reassure leaders of other member states that he really wanted to keep the UK in the European Union. However, he has also said that he wants a significant renegotiation. Although he did not mention this in his so-called Bloomberg speech, he has mentioned it to his own party and in the House that he wants a repatriation of powers.

Other European leaders have said we cannot have a pick-and-mix approach, so the other element of uncertainty is what the negotiating strategy prior to the date set out in this Bill—31 December 2017—will be. Let us say that the Conservative party wins a majority in 2015. We hope that it does not, but, for the sake of argument, let us say that it does. How will the Prime Minister deliver on his promises to his party in terms of repatriation and renegotiation while at the same time negotiating with his European partners? This is all part of the same argument about economic uncertainty. There is no way that the Prime Minister will be able to deliver for his party and simultaneously stay in the European Union. There is an unbridgeable gap between what the majority of hon. Members in his own party want in terms of renegotiation and repatriation and what he is likely to be able to negotiate. That adds even further to the uncertainty that I have been discussing.

5.30 pm

Something else that adds to the uncertainty is the fact that high-profile members of the Government—the Secretaries of State for Defence and for Education—are on the record as saying they would vote to leave the European Union if there were a referendum tomorrow. My hon. Friend the Member for Lewisham West and Penge was right to point out that although the Prime Minister seemed at pains to say he wants to keep the

UK in the EU in his speech in January—it is unclear how he will do that and keep his party happy—senior members of his Government have said that if he does not get any change and if the status quo remains, they will vote to leave. That adds further to the uncertainty.

I return to the free trade agreements. I thank my hon. Friend for his intervention. I was talking about South Korea. A free trade agreement is still being negotiated with Canada, although it has hit a bit of a block in its progress. By setting a date in 2017 for the referendum, we are now uncertain whether we will be a beneficiary of that agreement when it goes through. Let us face it, we have free trade negotiations with countries such as Canada, the United States, Japan and India. The Government would rather the United Kingdom negotiates with the 28 members of the European Union alone. Free trade agreements will be more ambitious and more comprehensive for the United Kingdom, and more beneficial for business if we are part of the biggest trading block in the world. By implying that we might leave, and by pledging a referendum in four years' time, we add uncertainty to those negotiations.

The biggest prize in free trade agreements is the agreement currently being negotiated with the United States. The UK could and should have a leading role in those negotiations. I believe in the special relationship in all sorts of policy areas, in particular defence and intelligence—although perhaps we should not talk about that, given recent events. We should be one of the leading lights in those negotiations. However, our ability to exercise influence is being put in doubt by the prospect of the Bill being put into law to legislate for a referendum in four years' time.

I am uncertain—I would be grateful if Government Members can shed some light on this—why the year 2017 has been chosen. I know my hon. Friends have tabled amendments suggesting other years, and my hon. Friend the Member for Lewisham West and Penge said he is in favour of a referendum, so there is a variety of opinion on the Opposition Benches. But even my hon. Friend would admit that 2017 seems like an arbitrary date.

Jim Dowd: My support is for a process that will ultimately lead to a referendum being put before the British people. The problem with this deeply defective and flawed Bill is that it specifies the finishing post without describing the rules of the game by saying what processes we will follow. Where will we be? Imagine we were in the midst of progressive and productive work with our European partners in November 2017.

Would that all be thrown up in the air to meet this totally artificial and arbitrary date to appease a number of Conservative Back Benchers, who will vote no regardless of what comes back from Europe?

Emma Reynolds: That is absolutely right. Some of the leading advocates for a referendum want us to leave the European Union, and that is what they are about. That view is fine by me and we can have an argument about that, but I return to my point on the UK being the most open economy in Europe, because there is another interesting quote from the Foreign Secretary on that. In October 2011, he said:

“The eurozone is clearly in crisis, and to pile on that uncertainty the further uncertainty of a referendum on leaving the European Union, when half the foreign direct investment into Britain comes

from the rest of the European Union, and half our exports go out to the rest of the European Union, would not be a responsible action for Her Majesty's Government to take."—[*Official Report*, 24 October 2011; Vol. 534, c. 55.]

I agree with the Foreign Secretary. It is deeply irresponsible to commit to an in/out referendum, especially on some arbitrary timetable to 2017.

Importantly, in terms of the economic debate about the uncertainty and the December 2017 date, the Foreign Secretary continued:

"It would not help anyone looking for a job. It would not help any business trying to expand. It would mean that for a time, we, the leading advocates of removing barriers to trade in Europe and the rest of the world, would lack the authority to do so."—[*Official Report*, 24 October 2011; Vol. 534, c. 55.]

I rest my case. I agree with the Foreign Secretary. His point was exactly the point I was making on the importance of the United Kingdom. I am sorry that the Europe Minister is not in his place, but he will know that it is essential that we get that point across in negotiations on free trade agreements. My fear is that, due to the Bill and the pledge for a referendum in 2017, the Government have weakened their hand in how they can use that level of influence.

Mr Sheerman: Has my hon. Friend considered that this level of uncertainty is not only bad for our economy, but will impact right across all our trading partners? They will all suffer from the uncertainty. There have been some interventions from members of the Committee saying this, but I, too, am very positive about the referendum.

Part of the attraction of being on this Committee and serving under your chairmanship, Mr Benton, was the opportunity to discuss the matter seriously and do all those things we are supposed to do as Members of Parliament. I was certainly not accepted on to this Committee to toe a particular line.

The issue is the uncertainty. I am someone who cares passionately about the manufacturing sector, which is at last starting to grow again. Large companies from all over the world are saying, "We can now start reshoring, because manufacturing can be done so efficiently now." With highly sophisticated manufacturing capacity and a few skilled people, a lot of industry is coming back to this country, but as that is starting to happen, all this uncertainty is playing out. I give the Government their dues, however, because that reshoring is partly due to their policies.

I was with the Secretary of State for Business, Innovation and Skills for a horrendous 8 o'clock start this morning.

The Chair: Order.

Mr Sheerman: Does my hon. Friend accept that point?

Emma Reynolds: I do accept that point. The economic benefits of our membership are clear to see, and we are seeing a revival in manufacturing. I am glad to say that that is the case in Wolverhampton and in south Staffordshire. I want to see that manufacturing revival continue, and that is one point we could all agree on. The Bill, and the behaviour of some senior Ministers, could threaten the manufacturing revival that we are

starting to see, and for my constituents and those of the hon. Member for South Staffordshire, that priority is high above anything that we have discussed so far today in terms of a referendum. The economy consistently comes top in the monthly polling when people are asked what their main concern is.

Pauline Latham: Is it not true that the hon. Lady simply does not want to trust the people of this country?

Emma Reynolds: No, it is not true. I have sought every day since I was elected on the same day as the hon. Lady—

Pauline Latham: Five minutes ago.

Mr Sheerman: Yesterday.

Emma Reynolds: —not five minutes ago, but three years ago, to represent the concerns of my constituents. I have had a handful of e-mails in those three years about a European referendum, but week on week in my advice surgeries and when I knock on doors canvassing in Wolverhampton, I rarely receive representations on the issue. My constituents, and I believe people across the country, are very concerned about the economy, and the monthly polling shows it is their top priority. This is relevant to the Bill, Mr Benton, because our constituents' economic concerns should come first.

Let us not forget that the Prime Minister, in his first speech as leader of his party back in 2005, asked it to stop "banging on about Europe", because that did not chime with the priorities of people up and down the country. He saw the disconnect between everyday people's concerns and the obsession of the Conservative party. I agree with what he said in 2005, and I wish he had not changed his mind. Perhaps he was forced to change it, and got to this position out of weakness, not strength. I passionately believe that the Government, and Conservative Members, should focus on the economy, and I am genuinely fearful—I am not being party political here—about what this legislation will mean for our economy.

Mr Sheerman: I did not come here yesterday. I must apologise if I light-heartedly accused others of having come here yesterday; I know it was three years ago, but if one has been here 34 years, that seems like only yesterday. I apologise if any members of the Committee were offended by my remarks, which were meant in a lighter vein. Having been here quite some time, I remember when John Major was Prime Minister, and all this unhappiness and uncertainty about Europe really destroyed a British Prime Minister's influence, and went on and on undermining the role that Britain played in Europe and in the world, and made for very weak government, and I am really afraid that we will repeat that process and be seen as a lame duck in Europe. Committing us to a referendum in 2017 is unheard of and very unsettling.

5.45 pm

Emma Reynolds: It is both unsettling and damaging to our influence in Europe. I welcome my hon. Friend's intervention.

[Emma Reynolds]

As part of my role as shadow Minister for Europe, I go to different capital cities in Europe. I am afraid to report that the first question that parliamentary colleagues, the media and others ask me in other European member states is, “Is it likely, probable or inevitable that the UK will leave the European Union?” That is the first question that they ask me. It is not, “How can we work with the UK on a free trade agreement with the United States, or on legislation on climate change and the emissions trading scheme? How can we work with the UK on foreign policy?” Those are not the questions that come to me first when I meet my counterparts, journalists and think-tanks in other member states. The first question, which was unthinkable as recently as two or three years ago, is, “Is it inevitable that you will leave?” That damages our influence. Why should other European leaders and politicians bend over backwards to help the UK if the UK is going to leave anyway? I am afraid that that is the situation that the Government have got the UK into. The Bill is, unfortunately, a central part of that.

Martin Horwood: I can absolutely confirm what the hon. Lady says. Only today I met Herr Detlef Seif from the German Bundestag. He is not one of my fellow Liberals, but a member of the Christian Democratic Union. Again, the first question that he asked me was, “How serious are the Conservatives about pushing exit from membership? What exactly is happening on the referendum? What are the time scales? What are the political considerations in play?” It appalled him, as a member of moderate conservative party, which in other respects probably has quite a lot in common with the Conservative party—although it is a member of the European People’s Party, not the somewhat fringe group that the Conservatives are members of in the European Parliament—that a moderate conservative party like the Conservative party has got itself into such a tangle over European policy and feels the need constantly to issue such, rather knee-jerk, policies to appease its Eurosceptic right wing.

Emma Reynolds: My experience tallies with that of the hon. Gentleman. He makes a valid point.

I was talking about travelling to other European capitals. Many parliamentary colleagues from across the EU come here to visit us. The Speaker of the Dutch Parliament was here only the other week, and I am afraid to report that I had a similar conversation with her. The starting point, again, was, “Will the UK stay as a member?”

I cannot stress enough how worrying that is to our standing in the EU. The referendum commitment by the end of 2017 is central to the weakening of our position in the rest of the EU. I do not think that that is in the national interest. The leader of our party and the shadow Foreign Secretary have been clear that decisions of such a nature must be taken with regard to the national interest. They must not be taken with regard to how to paper over cracks and mend deep divisions in any political party.

Just to add to the uncertainty caused by the referendum pledge and that sense of weakening, I just want to quote the Dutch Foreign Minister, Frans Timmermans. He

recently said that the Prime Minister felt compelled for “purely internal political reasons” to renegotiate Britain’s relationship with Brussels, but that “walking away” was not the path to effective reform of the EU.

My party is keen to see significant reform of the EU. I am a pro-European, but I do not think that the EU is perfect. I worked in Brussels for six years, so I had direct experience of some of the imperfections at close range. However, if we are to deliver on reform—I think that this was the point that the Dutch Foreign Minister was making—we need to form meaningful alliances and partnerships with our European counterparts across the European Union.

Mr Sheerman: On that point, is my hon. Friend aware that, because we are going to sit very late tonight, I had to cancel a dinner meeting with a group from Denmark? The Danes think of us as some of their closest partners—
[*Interruption.*]

The Chair: Order. The hon. Gentleman is making a point. The Committee must hear him.

Mr Sheerman: I was going to have dinner with some Danish people to discuss youth unemployment across Europe and what work we can do. The Danes love us being in Europe. They see us as partners. They are quite sceptical, as are some of my hon. Friends on the Opposition Benches. I am sceptical about some things. I want change and reform in Europe, but at the end of the day I want to stay in Europe. I am still happy for there to be a referendum; what I do not like is the uncertainty. Although I cannot meet my Danish friends this evening, I do not like having them laugh at me, saying, “What are you doing, dilly-dallying and dithering over whether you want to be in our club or out of it?”

Emma Reynolds: I thank my hon. Friend for his intervention, and I am sorry that it has not been appreciated by the Opposition. We must speak truth to power, even if power does not seem to like what we say.

I visited Copenhagen in April for a conference, along with the Leader of the Opposition and the shadow Foreign Secretary. We met with the Danish Prime Minister and Europe Minister. As my hon. Friend suggests, the relationship with Denmark should be close. We have opt-outs just as they have opt-outs for particular policies. In fact, they have opt-outs in areas, such as defence, where we do not. I am afraid to report that the first question that was put to us in our important meetings with our Danish counterparts was, “Is it inevitable that the UK is going to leave the European Union?” That is extremely regrettable, and part of the reason for it is the centrepiece of the Bill: a referendum pledge on a completely arbitrary timetable.

I have talked about the importance of manufacturing and the economic benefits of foreign direct investment in manufacturing. I would also like to talk about the City of London—
[*Interruption.*]

The Chair: Order. It is most insulting for anyone speaking to have to suffer interruptions, muttering and murmuring. Can we at least bring some courtesy back to the Committee? That is addressed to everybody.

Emma Reynolds: I hate to say it, Mr Benton, but it all adds to the impression that perhaps somebody else is running this Bill, not Back Benchers, but there we go. However, it is not up to me to intrude on private arrangements in the Conservative party.

I was making a serious point about the City of London, which is one of the most important financial centres in the world.

If one talks to anyone in the City—I had a dinner at the City of London corporation only last week—they are clear that our membership of the European Union contributes to the success of the City of London. They do not necessarily agree with every dot and comma of European legislation, and in some cases they are keen to change that legislation, but, on a macro level, they are very clear that they want us to remain within the Union. I also heard some concern at that meeting about what the approach of the Conservative party would mean for foreign direct investment. In fact, an American representative of a bank said that FDI had already been discouraged by the Prime Minister's speech in January and his promise of a referendum, so we are dealing with important matters for manufacturing and the City.

While my next point is again to do with timing, it is more to do with treaty change. The Conservative party will not achieve a unilateral repatriation of powers and it will not achieve unilateral reform for the UK. It is a shame that the Prime Minister is not present, because I agree with him when he says that the best opportunities for reform of the EU arise when the reform concerns all 28 EU member states. In Denmark, the Netherlands, Germany and other member states, there is significant appetite for reform of the EU. Those countries are pro-European, like myself, and also pro-reform. That is not contradiction; it is a valid position.

The reason behind the arbitrary nature of the 2017 date is the reliance on an unlikely and unrealistic timetable for achieving reform among 28 member states. If we are to seek further reform of the EU budget and the common agricultural policy, it will be necessary to negotiate with our European partners. I fear that while the Prime Minister has set out this arbitrary timetable in the Bill, there will be a significant chance that there is no change at all—whether through reform or in our relationship. The Prime Minister has offered his party a false prospectus of renegotiation in the next four years and then a referendum on that renegotiation.

Furthermore, it is pretty clear that for as long as the French President, President Hollande, and the Dutch Prime Minister, Mr Marc Rutte—I understand that the leader of the Liberal Democrats is close to him—are the leaders of their countries, there will be no treaty change. The French Socialists, who are now in power, were deeply scarred by the referendum that they lost on the constitution some years ago. Actually, the French on both the left and the right are minded to proceed with intergovernmentalism, not supranationalism, when it comes to EU integration. We are now seeing intergovernmentalism in how frequently the European Council meets, and how frequently the Heads of State and Government make their decisions. Intergovernmentalism does not really need too much treaty change. I hear that there are representatives of our Government who are optimistic that there will be treaty change before 2017, but I do not think that is realistic.

6 pm

It is interesting that the Tory party grandee—if I may call him that—Lord Heseltine, who has great experience of many things, including these matters, put it appropriately back in January when he said:

“To commit to a referendum about a negotiation that hasn't begun, on a timescale you cannot predict, on an outcome that's unknown, where Britain's appeal as an inward investment market would be the centre of the debate, seems to me like an unnecessary gamble”.

It is worth focusing on that because it goes to the heart of the date for the referendum set out in clause 1(2). Lord Heseltine is clear that one simply cannot predict the time scale for negotiation and reform. I was working in Brussels at the time of the last treaty negotiations. They were long and arduous, and went on for years, both on the constitutional treaty and then on the Lisbon treaty.

Lord Heseltine is absolutely right: this is not a timetable that we can predict. There are 28 member states involved. This is about not just the UK, but the other 27 member states. The messages that we are getting from France, the Netherlands and parts of the German Government is that they do not want treaty change. They do not see a need for it at the moment. We should pay heed to the wise words of Lord Heseltine about the unknown outcome of such negotiations.

It seems very risky for the Prime Minister to predicate his pledge of a referendum on a hypothetical renegotiation. We do not know whether that has already begun. Perhaps the hon. Member for Cheltenham can shed some light on that, given that the Conservatives are in coalition with the Liberal Democrats, and if that repatriation was sought, it might be that the Liberal Democrats would not agree.

Martin Horwood: I am happy to try to enlighten the hon. Lady, although I do not want to anticipate too many of the things that I shall say in my speech. The renegotiation is rather a Conservative party concept, and I might speak in more detail later about what was actually proposed in the Prime Minister's speech. Of course, the coalition Government have quite rightly launched the balance of competences review to examine the balance of powers between London and Brussels, and between the British and European levels of government, and they have also been quite free in discussing things such as the justice and home affairs opt-out/opt-in process. Those are healthy things to discuss, but one does not need to hold the time bomb of a referendum on British exit to achieve such reforms and examinations of where the balance of power really should lie.

Emma Reynolds: I agree with a number of the hon. Gentleman's points. In my experience, and from what I have seen in European Council meetings, the European Parliament and other European institutions, one does not get one's way in Brussels or Strasbourg by blackmailing the European Parliament—that simply does not work. The idea that one says to the rest of the EU—[*Interruption.*] I am glad that the hon. Member for South Staffordshire, who has not contributed much to the debate, thinks that this is funny. This is a serious point—[*Interruption.*] This chuntering from a sedentary position is getting a bit tiring, to be frank.

[Emma Reynolds]

The point I am attempting to make is that the other member states of the European Union do not take kindly to being told that the UK will remain in the EU only if it repatriates a shopping list of demands from some Conservative Members. Not least among them is the hon. Member for South Northamptonshire (Andrea Leadsom), who has headed up what she herself calls a shopping list, but the problem with a shopping list is that the things put in the basket have to be paid for at the checkout.

European negotiations often involve some horse-trading. The idea that we will get unilateral repatriation before 2017 but nobody else will get anything, on a timetable that does not fit in with anybody else, is frankly unrealistic. I welcome the clarification that the hon. Member for Cheltenham set out. Predicated on this promise of a 2017 referendum, the Prime Minister set out in January and since then that there will be renegotiation before that time. Given the nature of the coalition and the situation that the hon. Member for Cheltenham has clarified, I do not think that renegotiation can happen now. It can happen only if the Conservatives get a majority, whenever that might be.

To please Conservative Members, let us imagine that the Conservatives win a majority in 2015. The Prime Minister would have only two years in which to renegotiate our membership of the EU.

Jim Dowd: I am not sure that that covers the whole position. This shoddy piece of work that is masquerading as a parliamentary Bill says:

“The Secretary of State shall by order, and before 31 December 2016, appoint the day on which the referendum is to be held.”

I find it difficult to understand how a Secretary of State or Prime Minister—as a later amendment proposes—can appoint a date if the process is not completed. If there were a Conservative Government after May 2015, they would have 18 months to conclude the whole process.

Emma Reynolds: I agree with my hon. Friend. It is worse than I imagined. He is right that we should not calculate the time as being between May 2015 and the end of 2017. It remains uncertain whether the Secretary of State will be responsible if the Bill is passed, but that is a topic to debate perhaps not today, but in September.

Mr Sheerman: If we had seized the opportunity when the Prime Minister just popped into the public gallery, we could have asked him that question.

Emma Reynolds: As I understand it, from the expert guidance I have been given by the Committee Clerk, other right hon. and hon. Members, and even the Prime Minister, cannot contribute to our Committee’s work. I see that you are nodding in approval, Mr Benton.

Let me return to the point made by my hon. Friend the Member for Lewisham West and Penge. It is even more unrealistic for the Secretary of State to lay an order by 31 December 2016, because there will be only a year and half in which to carry out the process, although perhaps we should be generous and say that it is a bit longer than that at a year and seven months. I am sure,

Mr Benton, that you would want us to be accurate as we measure the time between the next general election and 31 December 2016—the date set out in subsection (3).

My central point is that it is highly unlikely that the process will be concluded in that time scale. To return to my anecdote about the shopping list, someone will have to pay for unilateral repatriation. I do not think that such repatriation is possible, but if there is some repatriation, someone will have to pay for it.

I do not mean to cast aspersions, but unless something changes in the next two years and the Conservatives rule alone as a minority Government before the next general election, as has been proposed, I do not see how the Government can lead a negotiation to repatriate powers in the way suggested by Conservative Members and, indeed, the Prime Minister himself. The timetable is simply not realistic. For that reason, the proposal of repatriation followed by a referendum adds further uncertainty, which is extremely damaging to the economy.

A key quote on the economy comes from a highly experienced Conservative Member and former Foreign Secretary, the right hon. and learned Member for Kensington (Sir Malcolm Rifkind), who said in the debate on whether we should hold a referendum on our membership:

“To have a debate that might lead to a referendum on whether Britain will remain in the European Union or leave it entirely is such a massive distraction from the real concerns that this country and the rest of Europe have to address.”—[*Official Report*, 24 October 2011; Vol. 534, c. 84.]

That sounds a little like what the hon. Member for Stockton South said the day before his name was drawn in the ballot.

Mr Sheerman: I do not want to dwell on the fact that many members of the Committee are relatively new Members of Parliament, but my hon. Friend quotes the voice of long experience—a former Conservative Foreign Secretary—and is it not true that those of us who know what uncertainty in the political process does are aware of just how damaging it is? We all have constituents whose lives will be badly altered by that uncertainty, and we know that it will go on and on for several years and that it will be damaging. Would any sensible regime in Europe grant concessions knowing that we might not be there after 2017?

Emma Reynolds: I could not agree more with my hon. Friend, and the Conservative party needs to reflect on what it is demanding in terms of repatriation before the referendum. I am sure that my hon. Friends would agree that to seek to repatriate powers in employment and social affairs when the legislation passed provides minimum protection—whether four weeks’ paid holiday, comparable rights for part-time workers, or a minimum parental leave requirement—would be exactly the wrong place to start.

However, the Conservative party and many hon. Members with whom I have debated reform, repatriation and the referendum seem to put this policy area right at the top of their list. This is unrealistic, because frankly why would the Governments of Germany, France, Spain, Italy, Hungary or Poland—or Luxemburg, which is a small country, but has a significant economy and lots of financial services—concede that our businesses, or

businesses located in the UK, should not abide by minimum employment and social standards, when businesses in their own member states would have to abide by those minimum standards? It is totally unrealistic and undesirable.

6.15 pm

Martin Horwood: The hon. Lady makes a strong argument that is being illustrated as we speak in the relationship between the European Union and Switzerland. This Swiss are finding that their traditional practices in financial services are under enormous pressure from the European Union, and in effect they are suffering the kind of fax democracy that Norway suffers by being outside the European Union.

The Swiss have no say over the emerging rules for financial services in Europe, but they are going to have to abide by some of those transparency rules and the other changes that are being proposed. In effect, they have made themselves vulnerable by remaining outside the European Union. In fact, we think that that is true of Switzerland, but Switzerland is much less of a competitive threat to the eurozone economies than the City of London and the British financial services sector would be. What is already true for Switzerland would be much more true for the British financial services sector, and it would be a much greater risk in due course.

Emma Reynolds: I could not agree more with the hon. Gentleman. He is inviting me to move forward to sections in the latter part of my speech in which I shall discuss the meaning of being out of the EU. What do we mean by “out”? Is the fax democracy that he mentioned with regard to Norway the arrangement we will end up with? The Norwegian politicians whom I have met express frustration about having to abide by rules over which they have no say while still paying into the EU budget.

Martin Horwood: If the hon. Lady is looking for a precise model for what I think those Conservatives who are in favour of us leaving the European Union are suggesting, Norway is in fact part of the Schengen area, so it would not be an exact parallel. I think the only exact parallel would be Liechtenstein, so that shows the ambition of Conservative Eurosceptics for this country.

Emma Reynolds: I have bigger ambitions for our country, and I think that the hon. Gentleman is suggesting that he does, too. This question of what the alternative looks like is actually very problematic. Will we be in the position of Norway, which has to abide by the rules? It has no representation, whether at the Council of Ministers, the European Parliament or the European Commission. There are no Norwegian civil servants in the European Commission. Do we want to be in the situation in which Norway finds itself? It pays into the EU budget and, yes, it has access to the internal market of the EU, but it has to abide by legislation over which it has absolutely no say. It is not represented in any of the institutions, yet it is bound by the rules.

Alternatively, as the hon. Gentleman also suggested, are we going to go for the Swiss model? Switzerland has the arduous task of negotiating more than a hundred bilateral agreements with individual EU member states. Again, for us to be in that position would be detrimental to our economy, to our standing in the world and to our ability to deal with cross-border crime, terrorism, and

the increasing challenges of climate change and energy security. We need to have some very serious discussions about what the alternative is and what coming out would mean, but those points have not yet been anywhere near adequately explored.

I want to pick up on something else raised by the hon. Gentleman. He is right—he said this in the debate on the sittings motion—that it would be useful if we had before us the report on the balance of competencies. When we discuss the nature of our relationship with the European Union, whether or not we should leave it and what it means to remain in it, we get to my point about the nature of the question and what the background documents should be.

We thought that the first report on the balance of competencies would be published this month, but a newspaper report leads us to believe something else. Unfortunately, the Minister for Europe is not in the room to hear me ask this question, but perhaps his Parliamentary Private Secretary, if he is listening, will convey it to him. I urge the Government to publish that first report. First, in the interests of transparency, it would be good to know what the deliberations are. Secondly, it could inform the work of the Committee, because the balance of competencies is relevant to the Bill and especially to the nature of the question set out in clause 1(4).

As I understand it, the balance of competencies review will be a dispassionate, objective report into what powers the UK has already ceded to the EU. Evidence has apparently been taken from businesses throughout the country, civil society and others. It could be very useful for our discussions in Committee, and it would have been great to have had the report before now. Obviously, it will not be possible to have it for today’s debates, but it would be extremely useful if it were published before the Committee’s next sitting.

Mr Sheerman: On that point, I have always had this watchword that good policy is made on good evidence and on what works somewhere else. In fact, I spent 10 years of my life trying to persuade various Ministers that that would be a good way of developing policy. My hon. Friend is making a powerful case that if we had more time in this Committee, we could do a darn good job, as we could look at so much stuff in some depth. We could have the benefit of the research and the documents that we do not have now.

I cannot understand why all members of the Committee do not want that, as we all want to do a good job. I do not walk into a Committee, after many years of not doing this sort of Committee, without thinking about how we can do that. We are being brilliantly chaired. Why can we not, as a team, do a really good job of this? If we could get the balance of competencies and hear about the Electoral Commission’s view, we could all, as good parliamentarians, do a thorough job to the best of our abilities. We could then go home, however late it is, proud of what we have done, knowing that when the House resumes after the break, we can do an even better job.

Emma Reynolds: My hon. Friend makes a valid point. The balance of competencies review would help Members on both sides of the Committee and on both sides of the argument.

Martin Horwood: The hon. Lady is being patient with the number of interventions she is receiving. We should make it clear that the balance of competencies review is divided into three semesters, which is interesting phraseology. The report from the first semester should have been published by now. It is rather curious that, as with one or two other reports that seem to have landed on Government desks, the Government are waiting to the very last minute before we go into the summer recess. Perhaps it is because they have the wrong message in them, which is that there are many areas in which the balance of competencies is right and is helpful to this country's interests and to the welfare and well-being of British citizens.

If that first semester report is imminent then the second semester report is some way off and the third is further still. It would be perfectly sensible for the Bill to wait until the entire process was finished in order to properly inform the debate. After all, as we have said repeatedly, even in the mind of its promoter, the Bill will not bring about a referendum until 2017 so it is not as if we are in a tearing hurry to get this done. The balance of competencies points the hon. Lady makes are very valid.

Mr Sheerman: On a point of order, Mr Benton. I have just had a tweet that says, "I hope you won't try to sabotage this Bill and stop your constituents from having their say," followed by one that says, "We are making a list and checking it twice. We're gonna find out who's naughty and nice." These are obviously from people who are trying to influence a member of this Committee in a certain direction. Could you give us some guidance, Mr Benton?

The Chair: I cannot give guidance on who your correspondents are. Somebody has sent you a message. I cannot do anything about that. I make a serious suggestion: interventions have been spreading out into speeches; I remind the Committee that interventions are supposed to be brief.

Martin Horwood: Further to that point of order, Mr Benton. On a practical point, it would be quite nice if the Doorkeepers could attend to the distribution of water. It all seems to have ended up at one end of the room. Just in case we sit late and there are some long speeches it would be nice to have some lubrication.

Mr Burley: Gin and tonic?

Martin Horwood: I am sure that we are not allowed anything stronger than water. I do not think gin and tonic would be entirely in keeping with parliamentary procedures.

Mr Sheerman: Further to that point of order, Mr Benton. Could the Clerk say something about this? Is it a matter of privilege that people start tweeting us in one direction when we are in Committee? This is a well-known pressure group.

The Chair: I am not very well versed on modern communications, as many people will appreciate, but even I can understand that if somebody tweets you it is not a matter for this Committee.

Emma Reynolds: Your long years in this House, Mr Benton, are an asset to this Committee, as is your experience of social media. I agree with you. Many times when I look at my Twitter account I think, why not just ignore it? The only thing I would say to my hon. Friend is that I have not had a chance to look at my phone for quite some time and I do not intend to do so for quite some time either. It is up to members of the Committee, without outside influence, to do as they see fit and to scrutinise the Bill.

I come back to the intervention from the hon. Member for Cheltenham. I know that the balance of competencies review was a cornerstone of the coalition agreement. I understand why he is urging that the report on the first semester be published. As he says, it is an interesting phrase. It is quite a European way of describing it. The economic semester is often talked about. I call on the Government to consider seriously publishing that initial balance of competencies report, because it would be of interest to Committee members, and it is extremely relevant to the Bill, particularly the clauses that cover the question and timing. I hope that the PPS, who is in his place, will convey my wishes and those of the hon. Member for Cheltenham to the Government on that.

6.30 pm

My third argument is about the European Union being in a state of flux and the implications of that for our deliberations on whether there should be legislation to commit the next Government to a referendum. The eurozone crisis has raised fundamental questions about how eurozone economies should work better together.

Some member states are calling for extensive economic integration, and there is already progress on banking union, which is being discussed among eurozone member states. There has already been a fiscal compact treaty, which applied only to eurozone member states, but was signed by every EU member state, except the UK and the Czech Republic. There is therefore a dynamic in the EU that was not present before the global financial crash and the problems in the eurozone between the eurozone member states, of which there are 17 out of the 28, and the others.

Mr Sheerman: Before someone else divulges this in Committee, I confess that, for seven years, I chaired the committee on preparation for the euro. We took evidence, and I absolutely agree with my hon. Friend's analysis. We predicted the problems in the eurozone.

I point out to the younger members of the Committee that the Secretary of State for Business, Innovation and Skills served on the committee for the seven years. Its remit was to ensure that we were prepared to enter the eurozone if there were a decision in a referendum, or by any other means, to join. Many people have misconceptions. If they want to throw that at me, let me assure them that it was not a committee in favour of the euro; we were checking preparedness in the case of making the decision to join.

Emma Reynolds: I am sure that my hon. Friend will now get feedback on Twitter. He might want to tell us about it, but perhaps he should not.

The point that I was starting to develop relates to my hon. Friend's intervention and the comment of the hon. Member for South Staffordshire about whether we should have joined the euro. It is safe to say that there is cross-party consensus in Committee and more widely, including the Prime Minister, the Leader of the Opposition and the Deputy Prime Minister on the view that the UK should not join. The dynamic and the relationship between the eurozone 17 and the non-eurozone 11—we were 10, but Croatia has just joined the EU—is important.

The test for our consideration of the Bill and more widely should be whether something is in the national interest. The far greater question—some may say this is a risk to our national interest—is whether there will be a dynamic of separation between the eurozone 17 and the non-eurozone 11. That is uncertain, and we do not know how that dynamic will develop.

Therefore, while having a referendum in four years' time is arbitrary, it will also not be clear by 31 December 2017, or even by 31 December 2016, as my hon. Friend the Member for Lewisham West and Penge said, what the relationship will be between the UK, as the biggest non-eurozone country, although there are 10 others, and the eurozone 17, which obviously include the biggest economies, such as Germany and France, as well as some other very significant economies, such as Italy. It is not clear, and I do not think it will be clear in four years' time, what that relationship will be.

The key question for the Government and for whoever wins the next election—I hope the Labour party gets back into power in 2015—is how the UK approaches the economic integration of the eurozone 17. The Chancellor is on record as saying that they should integrate their economies more closely and that that is—I forget his exact phrase—the inexorable logic of the euro. Monetary union implies some form of economic union, but it will not become clear between now and 2017 to what extent eurozone member states will be able to achieve economic union or what that economic union will look like.

The most pressing priority for eurozone heads of state and all other European heads of state is to resolve the current crisis. That has been the subject of European Councils for the last three years, and it is absolutely right that that should be the priority. However, another priority is now also being considered, and it affects our debate on a referendum on our EU membership. What do eurozone member states, acting in co-operation with the wider EU, need to do about the dire economic situation in Greece, Spain and, to a certain extent, Ireland—it is having a tough time too, although it seems to be coming out of the worst of it—as well as in Italy, Cyprus and, perhaps Slovenia, to avert a future crisis? What needs to be put in place in terms of economic integration—I think this is what the Chancellor has in mind when he talks about the logic of economic union—to avert a future eurozone crisis, which would be in our national interest and that of other European member states?

We have not yet seen which policies will be used to allow that economic integration to take place. I am not convinced that we will see that before the end of 2017. There will be ongoing debate and consultation in the eurozone, and it is vital that this Government and the future Government in 2015 play a role in that. However, it is not clear to me or others when this state of flux will

end. We simply do not know which economic policies and which degree of economic integration the eurozone will choose.

Mr Sheerman: My hon. Friend puts her finger on the centre of the uncertainty. We are closer to the next election than the 2010 election, and the normal democratic process is that we will start to shape up our manifestos and make choices. Europe and what we will do about it is absolutely central to what we will put in front of the British public in our manifestos. The Government are delivering a level of uncertainty that is almost inexplicable. Even the Opposition—I am criticising my side—have not made many decisions and do not have finely crafted answers on many points. Does my hon. Friend agree?

Emma Reynolds: I agree, and it is uncertain and unclear what our relationship with the eurozone, and therefore the rest of the European Union, will be. Eurozone member states may choose to integrate their economies. The Government, particularly the Chancellor, but other Ministers including the Prime Minister, have said that that integration is necessary to avert further crises in future, and to get over the current one. A more important question than whether we should have a referendum but which is related to that is how the UK will position itself in that dynamic.

I would like us to protect against any spill-over effects and against caucusing. There have been all sort of suggestions in the last couple of years that further eurozone integration might lead to extra meetings of eurozone Ministers, and there is a new proposal from the French and German Governments for another eurozone president. I do not know whether the risk is exaggerated, but there is a risk that if member states meet more frequently—they have started to do so—and at an even higher level, they will start to take decisions on the internal market and perhaps other areas that affect the UK and the 10 other non-eurozone countries so that they bypass the EU's normal decision making. In the many debates I have on European matters, that is the key issue. If the referendum pledge is set in stone in the law it will weaken the UK's position to ensure that caucusing does not happen and to protect against spill-over effects of eurozone integration.

The Government are highly critical of member states that want to forge ahead with a financial transaction tax. They have taken the European Commission, which came up with the proposal under the relatively new enhanced co-operation procedure, to the European Court of Justice. That is an example of the uncertain dynamic and of what the Government claim will be a spill-over effect. They worry that if member states that have signed up to the financial transaction tax go ahead with it, it will affect banks, other financial services and companies in the City of London. These matters are complicated.

Mr Sheerman: Is that one of the considerations that the Committee should bear in mind? Certainly that will be reflected in the value of sterling against the euro and other currencies. In terms of London's role as a major financial centre, would it not be the case that that uncertainty might fundamentally undermine the City of London?

6.45 pm

Emma Reynolds: My hon. Friend makes a valid point. I said earlier that the uncertainty created by the Prime Minister's pledge in January in his so-called Bloomberg speech and the draft Bill, should I say—the aspiring legislation—before us today could lead to: a weakening of our financial services sector; investors being put off; and significant investors choosing other EU member states who are certain to stay in the European Union. To be frank, although there are big problems in the eurozone at the moment, I do not know of any other EU member state where a debate of this kind is going on.

Mr Sheerman: I am sorry to intervene again. I agree with most of what my hon. Friend has said today, but is she not on really dangerous territory? We would not want something said carelessly in this Committee to start a run on the pound. Is she not being a little extravagant in her language?

Emma Reynolds: I was not suggesting that there would be a run on the pound; I was merely setting out the argument that there are concerns in the City that if we were to leave the EU, or if that prospect looked likely, there could be some real problems in terms of financial services. I will not go into technical details of currencies as I am sure that there are people much better qualified than me to talk about that, and I do not want to get into a discussion on sterling versus the euro. I think that my hon. Friend misunderstood me: I was not trying to set out the point he suggested.

Let me come back to my central point in this third argument that I am prosecuting: there is the potential for a eurozone versus non-eurozone dynamic. I hope that that will not develop, but that is a risk. I have talked about how that might occur in terms of eurozone member states and in the European Council. Members of the European Parliament from France—I am a big Francophile, but sometimes they cause a bit of trouble—and other eurozone member states put in doubt the position of the UK chair of the Economic and Monetary Affairs Committee.

Sharon Bowles is a Liberal Democrat and does the job well; she is technically adept and knows her subject. However, I remember that halfway through a European Parliament session, there were suggestions that because she was a Brit, she should not be chairing that committee. That is the sort of suggestion that I am sure will be made after the next European Parliament elections.

Martin Horwood: The hon. Lady is exactly right in her recollection of those events. I am happy to pay tribute to Sharon Bowles: she is an outstanding Member of the European Parliament and, as has been mentioned in many league tables, one of the most important economic regulators in Europe. That a Brit is performing that role is evidence of how, if we want to, we can exercise enormous positive influence inside Europe and have a really powerful say at the negotiating table on issues such as economic regulation. Her position was genuinely put at risk by questions raised on talk of referendums and exit and that is a good illustration of exactly the kind of risky uncertainty that those debates can engender.

Emma Reynolds: I could not agree more. I say, on a cross-party basis, that Sharon Bowles remains the chair of that committee until the next European elections. To be even more cross-party, I know that Malcolm Harbour, who is a West Midlands MEP, a good pro-European and a long-standing Member of the European Parliament, also chairs the Internal Market and Consumer Protection Committee. I fear that after the next European elections, as the hon. Member for Cheltenham sets out—because of the uncertainty about our membership, because of what we are discussing today and because senior members of the Government from the Conservative party have suggested that they would want to leave the EU if the referendum were held sooner rather than later—positions in the European Parliament that have been open to British MEPs of all parties will no longer be open.

Arlene McCarthy is vice-chair of the Economic and Monetary Affairs Committee, so I have now mentioned three different MEPs from three different parties. Someone such as Arlene McCarthy should be in with a good chance of chairing that committee because she has sat on it for some time. I worry, however, that the ongoing debate about our membership and the idea that our leaving might be inevitable weakens our hand on the positions in the European Parliament that we are likely to secure after the next European elections. That is a great concern for the standing of the UK in EU institutions.

It is also worth noting that on recent visits to Brussels, in the Commission and elsewhere, it has been suggested that, because our Government have been very uncooperative on many matters, we will not be granted any portfolio in the European Commission for which we might bid. I would imagine that the senior echelons of the Conservative party are already discussing which hon. Member, or otherwise, they might send to Brussels, but because of the referendum pledge and the Bill we are considering today, when the Prime Minister goes to the key summit with other European Heads of State this time next year, or in the autumn after the European parliamentary elections next year, he may be severely disappointed.

I would think that the Government prefer a big portfolio such as the Competition Commissioner. In the past we have had trade, which is a big portfolio, and we have foreign affairs at the moment, or the Government might prefer the internal market. Unfortunately, because of the debate in our Parliament and the speculation outside our Parliament that we might leave, I fear that our portfolio might not be as significant or as important as the one we would otherwise have held.

Martin Horwood: The hon. Lady is making a very strong case on the risks to British influence in Europe. Of course it is not just about European parliamentary committee chairmanships or Commissioner posts; there are also heads of agencies. The best and most obvious example is Rob Wainwright, the head of Europol. I am very pleased to say that his tenure has just been extended, but it is easy to see that, if we are ambivalent about our future membership of Europol and the use of the European arrest warrant, and so on, it might be felt inappropriate for a Brit to hold such a position on a long tenure. That would be a very retrograde step. Because of the expertise of British police forces in, for instance, fighting terrorism and cybercrime, there would be a real cost to the safety and security of people not just in this country but across Europe.

Emma Reynolds: That is a very helpful intervention. Rob Wainwright does a fantastic job of heading Europol on behalf of not only the UK but all members of the European Union. He is at the forefront of fighting cross-border crime, which is one of the benefits of our membership of the EU—I have talked about the economic benefits, but there are many benefits besides.

The hon. Gentleman puts his finger on an interesting point of debate on the Bill's implications. The Government have recently embarked on negotiations about which policing and judicial co-operation matters they wish to opt in to. We have said that there are great risks in using the block opt-out and then trying to opt back in. According to the treaties, the opt-in to those matters and areas where the Government will seek to opt in, whether or not that strategy is successful, will depend on the good will of other member states. As I have said before, to get the best deal for the UK we need to be in a stronger position than we are at the moment. There is no good will either in the Commission or, unfortunately, in other member states' Governments towards the UK given what has happened over the past three years.

Jim Dowd: The good will of our current European partners is necessary to conclude a successful renegotiation, but even if that was rejected by the British people at the referendum, which I hope will take place, we still need that good will to negotiate an exit from the European Union. Antagonising other member states has no purpose whatever.

Emma Reynolds: I could not agree more. The level of good will that my hon. Friend refers to will have serious implications for what “out” means. If there is a referendum and if the people of this country vote to leave Europe, what will that mean for our relationship? No other member state has ever tried to extricate itself from the European Union. I am not saying that it is impossible, but what conditions will be put on that exit? Will we be able to secure access to the biggest internal market in the world? The Norwegians have secured that access, but at both a financial cost in terms of their contribution and a cost in terms of influence, because they do not, as I said previously, have representation in European institutions, yet they must abide by many of those institutions' decisions without their being consulted or having a vote.

I thank my hon. Friend for that helpful intervention, which is particularly relevant to clause 1, because it provides for the question that will be put to the British people should the Bill become law. I read an interesting piece in *The Daily Telegraph* yesterday, written by my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart), for whom I have great admiration, although we disagree on these matters, about what constitutes “exit”. She and others launched—I think last night at the Institute for Economic Affairs—a prize for a piece of work to describe what the UK's exit from the European Union would look like. Unfortunately, I do not think that that award will be presented—I looked carefully at the timetable on the website—before the end of the Committee's deliberations, which is a shame, because it is that sort of information and, if possible, dispassionate assessment that we need to consider.

I want to return to my argument about eurozone versus non-eurozone. Notwithstanding what I have already said about spill-over effects, the financial transaction

tax and the lack of good will and what that means for our representation in all European Union institutions—
[*Interruption.*]

The Chair: Order. There is a Division. I suspend the Committee until 8.30 pm, to give people an opportunity to have dinner.

6.59 pm

Sitting suspended.

8.30 pm

On resuming—

Emma Reynolds: It is a great pleasure to continue to serve under your very able and expert chairmanship, Mr Benton. Before the votes and the break, I was talking about the dynamic between the eurozone 17 and the non-eurozone 10, of which the UK is the most significant economy—the biggest economy.

I was talking about the prospect—the risk—of that happening. It will not necessarily happen, but we might find ourselves in a position whereby the eurozone member states, having committed to integrate their economies more closely in one way or another and having committed to further high-level meetings—even higher-level meetings than they currently have in place—start to, in the lingo, “caucus”. That means that they would meet as they do already, but would start to consider legislation—for example, with regard to the single market—that affected the EU of 28, and would act in a way that affected us but without consulting us. That fear is present in many European debates in which the hon. Member for Cheltenham, my hon. Friend the Member for Glasgow North East and I have participated.

Mr Bain: I am sure that my hon. Friend and I have many further elements of this discussion ahead of us this evening and I know that both of us look forward to that very much. Has she seen the recent reports coming out of Germany that indicate that Chancellor Merkel and Finance Minister Schäuble see potential for further co-operation among the eurozone 17, particularly on areas such as banking, which may not require a further treaty to be drawn up at this stage? Would that not weaken the position that would be created by this Bill, which is predicated on the apparent need at eurozone level for such a treaty?

Emma Reynolds: I agree. I think that many discussions are going on, not least with the German Ministers—the Chancellor, the Finance Minister and other Ministers in the current German Government—about banking union, further steps towards integration of eurozone economies and how they keep their constitutional court on side, which is a significant consideration. There seems to be in the EU at the moment—this makes the timetable of the Bill even more unlikely—a waiting period. It is clear that Germany is the strongest and biggest economy in the eurozone and has the wherewithal to put in place perhaps a transfer union, although it is unwilling to do so. It is clear that Chancellor Merkel, when there are meetings—now at least six a year—of European Union Heads of State and Government, is considered to be the leading member of that group.

[*Emma Reynolds*]

To return to the Bill, we are talking about a deadline of 2017, yet there has been very little progress at European Union level, precisely because the German Government, as we know, may not be in place in their current form come 22 September and the federal elections. That is another staging post on the relatively short journey between now and the end of 2017, so the developments that I have been talking about—the banking union and the integration of eurozone economies—have been even further slowed down. We know that, at EU level, nothing happens quickly, but developments within the EU have been even further slowed down because the election campaign in Germany has kicked off and because there is a relatively long pre-election period. I think that it is true to say that, in the higher echelons of the German Government, there is a debate about what changes need to take place and the constitutional implications of those changes, as my hon. Friend the Member for Glasgow North East suggested.

There is a risk that Germany, France and other eurozone member states not only start to forge ahead with measures that affect the eurozone, but—I come back to my original point—they may well start to discuss measures that affect the UK and the other 10 member states that are outside the eurozone. Therefore, if we were to be guided, and we should be guided, by priorities in the national interest, we would not be debating a Bill about a referendum in four years' time. We would not have the timetable in the first place, but we might be debating—we should be debating—what is really in the national interest, which is protecting against our being left on the sidelines and against decisions that have implications for the British economy, British politics and British standing in the world that may be made in a forum of eurozone Finance Ministers, or eurozone Heads of State and Government, over which we will have no control.

These dynamics are developing at EU level. It is highly uncertain how quickly any measures about eurozone economic integration will be taken forward. Again, that makes the timetable of this Bill highly unrealistic, and not only because there are elections. There are federal elections in Germany, and the Italian Prime Minister was in the UK today and there might be Italian elections this time next year—who knows?—because there is quite a fragile coalition across the parties in Italy. There are other member states in the eurozone with significant economies that have very fragile Governments and where there might be elections. The dynamic between the eurozone 17 and the non-eurozone 11 could mean that it takes a long time before the implications are clear.

I want our Government and whichever Government are elected in 2015—I hope that it is a Labour Government—to ensure that there is not that divide between the non-eurozone and the eurozone, because, again, it is not in our national interest. We have a lot in common with some member states within the eurozone, such as Germany and the Netherlands, but we also have a lot in common with Denmark, Sweden and other countries that are outside the eurozone.

Unfortunately, the doubts about our membership put at risk as an aspiration, objective or ambition something that I hope will happen, namely that a British Government

could lead in many different policy areas, even if we are outside the eurozone. However, given that our membership has been put in doubt, that might not be the case.

We already lead in defence, in foreign policy—I think we could lead even further in that area—and we could, if we so desired, lead in justice and home affairs. When Tony Blair was Prime Minister, we led in justice and home affairs. There are many policy areas where we could lead, notwithstanding the fact that we will remain outside the eurozone. Before the suspension, I think that I said there was cross-party consensus that the UK should not join the euro. However, even though it will remain the case that we are outside the eurozone, there are many policy areas where the UK could lead.

Mr Bain: My hon. Friend is entirely right about the economy. Does she share my worry about the recent remarks of the President of the European Council, Herman Van Rompuy, who said that the UK could provide real impetus and leadership in the reform of the European economy, leading the process of completing the single European market, engaging in an agenda for growth, and reducing the current number of 26 million unemployed? How can that be achieved if the Government are so badly distracted—as perhaps some members of the Committee are now—with the agenda of seeing Britain on the way out, when we should be securing victories from the inside?

Emma Reynolds: There are Governments in other member states who value the fact that the British Government, and British politicians from across the political divide, are in favour of free trade and against protectionism. Other member states look to the UK to make that argument within the EU to ensure that we are on the right path of free trade agreements and that there are no protectionist measures that stop the EU being competitive in the world. I take on board what my hon. Friend said. There needs to be careful consideration of how we proceed with the substance of the Bill, given that we do not know how developments at a European level will play out.

Given the state of flux that the European Union is in, it is premature to commit ourselves now to a referendum in four years' time. It will create great uncertainty in the economy and in foreign direct investment. It is also precisely the wrong time, in terms of the developments in the EU and the uncertainty about how much integration will occur within the eurozone, to be holding such a debate under the cloud of uncertainty that has been cast over our membership by Conservative elements. The UK has a lot to offer, and member states see that potential. However, I fear that our debate today and our discussions about process are distractions from the debates about substance and real policies that could lead to improvements in the lives of my constituents and those of all hon. Members.

It is pretty clear that no challenges arise due to globalisation that the UK would be better tackling alone. In a world where crime knows no borders and where climate change clearly knows no borders; where we need good financial regulation and where we have China, with the largest population in the world, and India, which is set to overtake China in population size, perhaps in the next 20 years depending on the forecasts, it is precisely the wrong time to put our EU membership in doubt.

At this time, it is even more important that we should not be isolated, that we should not be marginalised and that we should not kid ourselves that we could go it alone. There are grave risks in trying to do so and, as we discussed, it is also not clear what coming out of the EU means. What is the path to exit? That is untried. No member state has done it. What implications will it have for our access to the single market? Will we be able to negotiate that access, and at what price? What implications would it have for pursuing well-known fugitives, as happened only weeks ago when we saw a British man in Spain being pursued by the Spanish police and almost immediately being extradited back to the UK. We also saw that with a school teacher who abducted a 15-year-old, fled to Bordeaux, and was extradited back to the UK.

8.45 pm

If we were to come out of the EU, would we become a safe haven for other member states' criminals? A recent House of Lords Committee report has suggested that, if it is not possible to negotiate our way back into the European arrest warrant, or if there is a gap between the opt-out and the opt-in, the UK could be a safe haven. It is not only our noble Lords, but the Association of Chief Police Officers and the intelligence services who have warned that we could become a safe haven for foreign criminals. I do not want that to happen; it is not in the national interest. We need time to discuss all those matters, because they are substantial and there would be grave consequences if we got it wrong.

Mr Bain: Is not one of the advantages of the European Union—and one of the reasons why other countries, such as Serbia, Turkey, Montenegro and Albania are queuing up to join—that it is a rules-based form of co-operation, and that those rules are enforced by a judicial body, which, of course, is the European Court of Justice? Would not the effect of clause 1(4) be to achieve the ambition that some Committee members and some members of the wider Conservative parliamentary party may have, which is to end the ECJ's jurisdiction in relation to the United Kingdom? Would that not make the single market unenforceable, and would it not create institutional chaos? Is that not just another example of the failure of the hon. Member for Stockton South to provide the Committee today with evidence about what powers he or the Government want to bring back from EU level?

Emma Reynolds: There are grave dangers in suggesting that the ECJ would not be the arbiter of EU rules. I am not saying that I have always agreed with every single ruling of the ECJ, but its purpose is to enforce EU legislation. We need a court of that kind to enforce initiatives taken at a European level, and also to ensure that other member states enforce legislation that has been agreed. If not, it would be a free-for-all.

Martin Horwood: If I may, I will quote a great authority in support of the hon. Lady's argument that any rules-based system needs some means of arbitration. In order to participate in a rules-based system such as the single market, there is a need to submit to that arbitration. The person I am thinking about said:

"I accept, of course, that for the single market to function we need a common set of rules and a way of enforcing them."

That was the Prime Minister in his Bloomberg speech. It is quite obvious that he essentially accepts that jurisdiction.

Emma Reynolds: It might surprise Conservative Members when I say that we welcomed the first 80% of the Prime Minister's speech in January. Of course we want a flexible, competitive, reformed European Union, and as the hon. Gentleman says, some form of arbitration to enforce the rules will be and has been necessary for the EU to be a success. In the UK there is a lot of focus on ECJ rulings that do not suit us. As I say, some of them have been problematic, but what would happen to the EU and to the single market if we did not have the ECJ? What would happen, as my hon. Friend the Member for Glasgow North East said, if we come out of the EU, yet have to abide by the rules? How does that affect our ability to use the ECJ?

I mentioned that the current Government have taken the European Commission proposal with regard to enhanced co-operation on a financial transaction tax to the ECJ.

If we were not a member of the European Union, the Government would not have been able to do that. The implications of leaving have not been sufficiently considered and we have only just touched the surface of it today: it is the tip of the iceberg, in terms of the risks of leaving.

It is worth also considering some of the interesting work done by Open Europe about the double majority ruling that has been put in place, which is a good thing. Open Europe was concerned about some spill-over effects that I have discussed, especially with regard to the establishment of a banking union. It is good that we have the new procedure, which would mean that if a majority in the eurozone wanted to forge ahead with banking union, there would also have to be a consultation and a majority of non-eurozone member states would have to agree to such measures. I congratulate the Government on negotiating that double majority ruling. That measure is safe until—and when—other member states join the euro.

We are in a fairly unique position, in that we have an opt-out on the euro, which Sir John Major negotiated. I am sure that if Government Members wished to contribute to the debate—it does not look like they are going to this evening—after a glass of wine, they might have reminded me of that, had I not mentioned it. Yes, a Conservative Government negotiated an opt-out on the euro. However, let us not neglect to remember that other member states have an obligation to join the euro. There was a referendum on joining the euro in Sweden some years ago, in which they voted no, but Sweden is still obliged to consider joining it. There is an obligation on the Czech Republic to join the euro at some stage. There is an obligation on the new member states—Bulgaria and Romania—to join the euro, and on Hungary, Latvia, and Lithuania.

The European banking union proposals are interesting because they are not just about the dynamics of the non-euro zone versus the euro zone. Some of the non-euro zone countries that are preparing to join the euro, not least, Lithuania and Latvia—and Poland is keen to join it at some stage—want to join the banking union, or at least have reserved judgment about whether they will proceed to join it.

[Emma Reynolds]

How secure is the double majority measure that the Government succeeded in negotiating? At the moment, it is 17 versus 11, but that will not stay the same in the years ahead. Therefore, the spill-over effects—the possibility of caucusing—are real. We would be better off as a country if the Government were minded to try to ensure that the UK leads in other areas where it has strength, such as foreign policy and defence, where the UK wants to do good in the world, so that we cannot be accused by our European partners of just being uncooperative. That would be a way of protecting against the caucusing that we have been discussing this evening.

These matters deserve substantial consideration. If we were applying dispassionately the test of the national interest instead of talking about the process, which is all the Bill talks about, we should also be talking about the substance. Not only is the endless obsession with process a distraction, but the implication that the Government want to leave the European Union weakens our ability to stand tall and exercise influence in key areas of national interest. It is unclear whether treaty change will happen before 2017, and it is terrifically unclear what the dynamic will be. Will it be 27:1? Will it be 17:10? Will it be 20:8? After all, Croatia has just joined. The numbers and dynamics are fluid, and the Government must be leading on the front foot in areas in which the UK can make a significant contribution.

As I said at the outset, under amendment 30 the Bill would enable rather than compel the next Government to hold a referendum. My other amendments deal with the transfer of power. I do not believe that any significant changes have been made in our relationship with the European Union since the vote in October 2011, in which the Minister and some Conservative Committee members—I do not have the list in front of me—voted against an in/out referendum. As I said earlier, what has changed? Nothing significant has changed in our relationship with the European Union. Why should we have a referendum now, when there has been no transfer of power and no change in our relationship, but not have a referendum on the Single European Act?

The Single European Act, to which the late Baroness Thatcher signed up, created a significant transfer of power—we think that that should be the test for a referendum—by getting rid of the veto in policy areas and introducing qualified majority voting. As hon. Members know, qualified majority voting is a complicated method that gives different member states different weighting depending on the size of their populations. The move from unanimity to qualified majority voting entailed a massive transfer of power from the Houses of Parliament to the European institutions, but I do not recall there ever having been a debate about a referendum on the Single European Act. Perhaps I am wrong, and Conservative Members remember better than I do.

9 pm

The introduction of qualified majority voting in the '80s constituted a major step change in European integration. If the referendum lock that the hon. Member for Cheltenham and I debated on the Floor of the House two years ago had existed at the time, there would have been a referendum on that transfer of power. My amendments would ensure that an equivalent

change to European voting rules would trigger a referendum. If we look at this objectively, the Single European Act represents a historic moment in the development of the European Union, but there is no equivalent now. I am not saying that there will be no equivalent in the future: there could be a treaty change. It would be beyond the deadline set by the hon. Member for Stockton South in this Private Member's Bill, but it could happen in 2020, or perhaps 2025. Perhaps we will have to have another Convention on the Future of Europe. My hon. Friend the Member for Birmingham Edgbaston would probably warn against that, because she saw at close hand the difficulties in the so-called IGCs, or intergovernmental conferences.

If any treaty were to come about that was the equivalent of the changes we saw in the Maastricht Treaty, to which Sir John Major signed up when he was Prime Minister, that would be triggered by the transfer of power provisions that my amendments proposed. If we look at what happened historically, the Single European Act and the Maastricht treaty represented big transfers of power under a Conservative Government.

Mr Bain: Can my hon. Friend confirm that these monumental changes to qualified majority voting, introduced by the Single European Act and amended by the treaty on European Union, the Amsterdam treaty, the Nice treaty and the Lisbon treaty, confer on the United Kingdom, when sitting at the Council discussion table, some 29 votes when it comes to considering reforms such as completion of the single market in energy, for example? Does my hon. Friend share my concern that, if clause 1(4) were enacted in its current form, we would risk having no votes in determining the future of the single market, even should the hon. Member for Stockton South and the Government want to keep us within the European economic area?

Emma Reynolds: Indeed—if we leave the European Union and are merely a member of a European economic area, we would lose the 29 votes that we have currently in the Council of Ministers. Germany has 29 votes and so do France and Spain, given that we are the four large Member States in terms of population. Those votes mean significant power in the Council of Ministers. It is therefore open to the United Kingdom, given that weight, to form alliances where necessary with other member states and, in some cases, to block legislation or in others to push it through. It is worth considering that qualified majority voting is a method by which the Council of Ministers comes to conclusions. It is set out very clearly in the Nice treaty, to take into account the enlargement of the European Union in 2004 and 2007. We had a recent enlargement on the first of this month.

The smaller member states have less power in terms of qualified majority voting; for example, Malta has only three votes, and Luxembourg, Cyprus, Estonia, Slovenia and Latvia have four votes each. I would rather we kept our 29 votes than not have any votes at all, as the Norwegians find, and as my hon. Friend implied in his intervention. As I say, let us look at this from a historical perspective. If there was a change that was equivalent to the introduction of QMV and to getting rid of the veto in one policy area—given that there are still vetoes in foreign policy and other sensitive areas—and if the European Union decided to get rid of

those and move to QMV, of course there should be a referendum, because that would be a transfer of power. The hon. Member for Cheltenham knows better than I do the kinds of debates that we had in the House about what changes would constitute a transfer of power. However, it is clear that the Conservative Governments of the 1980s and 1990s agreed to substantial, fundamental transfers of power without calling for a referendum.

That makes today's debate seem a little odd, to say the least. It is also a little inconsistent of some of the right hon. and hon. Members who were in the House of Commons in the 1990s. One such right hon. Member is the Foreign Secretary. On 21 April 1993 there was a Commons vote on new clause 49, proposing a referendum on the Maastricht treaty—the so-called treaty on the European Union.

I know the hon. Member for Stone (Mr Cash) supported the clause. It is a shame that the hon. Member for Stockton South did not put him on the Committee. I am sure that he has already made representations that he would have loved to be on the Committee discussing with us, this evening, the Bill's constitutional implications, our place in the EU and what it would mean to leave it. *[Interruption.]* We might have been here even longer. I think that the Minister was making a similar comment; the hon. Member for Stone is well known to us.

Martin Horwood: The hon. Lady makes an important point. If the hon. Member for Stone were here, he would certainly be contributing to the debate. We are stretching the sitting late into the night, and we are yet to see how long that will continue, but if that is the way the promoter and sponsors of the Bill want to carry on proceedings we are happy to do that, as I am sure the Opposition are. In that context, the hon. Member for Stone would undoubtedly make a debate of it, and answer some of the criticisms that are being made.

The Chair: Order. The hon. Member for Stone is not a member of the Committee and I am sure if he were here he would speak for himself. We are going slightly off the amendment when we discuss what the hon. Gentleman would probably say or not say if he were here.

Emma Reynolds: Thank you, Mr Benton. I am grateful for your guidance. As my hon. Friend the Member for Huddersfield pointed out when he was here, there are many new members of the Committee. We have been Members of the House a bit more than five minutes—but only three years; however, you have been here for many years, so I welcome your guidance and useful advice. I do not want to predict what the hon. Member for Stone would say, but he voted for a referendum on the Maastricht treaty. Unlike the Foreign Secretary he has been consistent on those matters since before 1993.

The Division on 21 April 1993 was about a massive transfer of powers. I suggest we should amend the Bill to stipulate a referendum for a transfer of powers, and particularly if it is as clear-cut as it was under the Maastricht treaty or the Single European Act. I imagine the 1993 debate was long. There were 363 votes against the referendum clause and 124 for. I have the Division list here.

Interestingly, the Foreign Secretary is among those who were against the referendum, so why are the Government—I apologise to the hon. Member for Cheltenham: it is very tempting to say “the Government”, because we always have these debates between the Government and the Opposition—why did the Conservative party and its senior Ministers, such as the Foreign Secretary, deem it not necessary or appropriate or constitutionally significant to have a referendum on the Maastricht treaty or the Single European Act, but appropriate to have a referendum on no change to our relationship with the European Union? It seems both odd and inconsistent with the way in which the Foreign Secretary voted on 21 April 1993.

We have had treaty changes since that time. We did not promise or deliver a referendum on the Amsterdam treaty or on Nice, but we have constructively engaged with the agreement that was made in good faith with the Liberal Democrats in the coalition agreement negotiation with regard to a referendum lock on any significant transfer of powers.

I want to talk to my new schedule in the context of what might in the outside world be considered minor changes, such as the introduction of the European Public Prosecutor's Office, which was stated in the Bill. I am not suggesting that there should be a referendum on it, but there is a change that would be much more significant but is not included either in the referendum lock legislation or in my amendments. If Turkey were to join the European Union, it would have a significant impact, way beyond anything that the introduction of the prosecutor's office would have, in terms of the dilution of our voting power in the Council of Ministers under the qualified majority voting rules that I have been talking about, because Turkey has a massive, growing and very young population compared with some of the ageing populations around the European Union.

Martin Horwood: I find it slightly odd that it is I who am putting this response to the hon. Lady from the Government side, in the context of a European Act that most Government Members supported, but in the absence of a response from Conservative Members—there is silence around me—let me put the case, which is that there is no denying that there would be implications if Turkey joined the European Union, just as there were implications when large states such as Bulgaria and Romania joined, but that does not involve any real points of principle in which there is a transfer of power from the British to the European level of government, whereas the triggers in the EU Act are about such transfers of competences or powers.

While the appointment of a European public prosecutor, and our participation in that, may or may not be of massive significance to members of the Labour party, or even perhaps to members, supporters or advisers of the Liberal Democrats, it was clearly of critical importance to Conservative Members, so it was right for us as a Government to respect our coalition colleagues and include that in the list. It was, if only in a small way, a shift in principle of power between—

Mr Burley: Speech!

Martin Horwood: It is not a speech, actually; I am simply replying to the precise point made.

9.15 pm

The Chair: Order. It is coming now to a speech.

Emma Reynolds: I understand the hon. Gentleman, who was being forensic in talking about the legislation that has already been passed. Certainly, in a manner of speaking, the dilution of our voting power in the Council of Ministers could conceivably be called a transfer of power, but in the definition agreed in the referendum—not legislation—it was not considered one. I am just comparing it with what I thought was a fairly insubstantial change, the introduction of the European Public Prosecutor's Office. It is a question of judgment. Perhaps the hon. Member for Cheltenham has a different view. I am willing to argue it out with him.

In terms of the impact on our relationship with the EU as a whole, the accession of Turkey would have substantial implications. I am not saying that they would be negative; I am just saying that it would be a big change geographically and strategically, in terms of foreign policy and of the make-up of the EU. I am certainly not arguing against Turkey's accession; I am simply trying to put my finger on what I think are anomalies in the legislation already passed. I hope that I have got round those in my amendments.

It is difficult, as this discussion has reflected, to know exactly where to set the threshold for a significant transfer of power. If, for example—we talked about this earlier—the UK got the European commissioner portfolio for multilingualism, would it be rational or proportionate to suggest that that was a transfer of power? Would it be a transfer of power for us to get a minor portfolio in the European Commission? Some hon. Members, either in this Committee or beyond—I will not mention the hon. Member for Stone today, because we are not supposed to talk about him—might well argue that that was a transfer of power. I think that I am right in saying—the hon. Member for Cheltenham will correct me if I am wrong, because he is such an assiduous Member and such an expert in these matters—that that would not trigger a referendum under the legislation that we have agreed, nor do I think it should. We must restrict referendums to significant transfers of power, which is what my amendment would achieve.

It seems rational, especially given the changes taking place in the European Union, that if there is a substantial change in our relationship with the EU, people should have a say in it. The Labour party is not opposed to a referendum in those circumstances, and I do not think that the Liberal Democrats are either; I am sure that the hon. Member for Cheltenham will tell me if I am speaking out of turn. Given that he is silent, I suspect that I am right.

It therefore seems proportionate to me that we should write it into the Bill that there should be a referendum if there is a transfer of power. I would welcome any feedback from those on the Conservative Benches on that issue.

They do not seem to be paying a lot of attention to what is being discussed, but I am sure that they have their own view on my amendments, and one of them will have to respond before we conclude the debate, whatever the hour might be.

The other arguments I want to prosecute and the other amendments I want to address are those on the wording of the question. As I said in my earlier

interventions, that is a key part of our scrutiny and I hope other hon. Members will contribute, because the Committee should scrutinise and debate the issues. I would welcome contributions from any hon. Member who has not spoken yet—or much—including Conservative hon. Members.

Mr Bain: My hon. Friend is entirely right that such scrutiny is one of the most important functions the Committee has to engage in with respect to the Bill. We have not had the full reports we would have preferred from the Electoral Commission on whether, according to its criteria, the criteria in the Political Parties, Elections and Referendums Act 2000 are met, so is it not essential that we spend a good deal of time looking at the intent of the wording in the question in clause 1(4)? As we saw in the debates on the referendum in Scotland, words mean absolutely everything when it comes to the question. Given that we have not had the Electoral Commission's verdict, it is doubly a priority that we carefully consider the amendment and clause 1(4).

Emma Reynolds: I thank my hon. Friend for that useful intervention. It would have been better for us to have had guidance from the Electoral Commission, as has been standard practice in all the other referendums in recent years. We had the referendum on—I nearly said “alternative vote” again, but I had better not; it was the alternative vote, but not what the Liberal Democrats wanted in the first place. There was Electoral Commission consultation on the nature of the question on the alternative vote. From what I understand of Electoral Commission guidance in that case, it was keen to ensure that the question was as neutral as possible: that it did not lead to a specific answer from the electorate and did not give one side any advantage over the other. Not only was the question debated on the Floor of the House, but the Bill that enabled the referendum was debated pretty thoroughly. I would welcome contributions from Conservative hon. Members, if they have anything to say on the question, because that matter goes to the heart of the issue.

The question, as drafted by the hon. Member for Stockton South, reads:

“Do you think that the United Kingdom should be a member of the European Union?”

One implication of that formulation is that it suggests that the UK is not yet a member of the EU. Look at it as dispassionately and objectively as possible—

“should the UK be a member?”

The UK is clearly already a member. When I knock on doors in my constituency, I find that sometimes people confuse the euro with the EU, saying, “Oh, you don't think we should go in, do you?” They elide the two issues. It would have been better if the hon. Gentleman had used the Prime Minister's formulation—this is perhaps one rare area on which I agree with the Prime Minister. When he was in Washington and very keen to get a draft referendum Bill into the newspapers, the question, as my hon. Friend the Member for Lewisham West and Penge has pointed out—this relates to the sense of my amendment—read:

“Do you think the United Kingdom should remain a member of the European Union?”

That seems a much more neutral and dispassionate question.

Mr Bain: My hon. Friend is absolutely right. One can only speculate as to whether the Prime Minister has perhaps been spending a little too much time with his barbecue recently, and not enough on helping the hon. Member for Stockton South to consider the implication of the wording of the question in subsection (4), although doing so would certainly have been a useful exercise.

My hon. Friend is discussing a critical issue. In relation to the referendum in Scotland, it is beyond doubt that the effect of the question on which the Scottish Parliament has been asked to legislate could be Scotland leaving the United Kingdom, but there is some doubt whether the phrasing of the question in the Bill makes it clear enough that the United Kingdom would be asked to leave the European Union altogether. Does she not think that that needs to be resolved by the hon. Member for Stockton South?

Emma Reynolds: Given that the hon. Member for Stockton South is the Bill's promoter, I am astonished by his silence on the matter and by the fact that he has not contributed significantly to the debate. I hope that he contributes, because I want to debate the issue with him. It is in the interests of the whole House and the whole country that we have a debate, not least on that critical question, as my hon. Friend says, as well as on other elements of the Bill. I am sure that the hon. Gentleman's iPad is extremely interesting, but given that this is his moment in the spotlight, I would have thought—

James Wharton: On a point of order, Mr Benton. Fascinating and relevant to the amendment as the question whether I choose to contribute or reply to the points made might be, the hon. Lady has been speaking for quite some time and has explored the issues in great detail. Is it unreasonable to suggest that the question on the amendment should now be put?

The Chair: The ruling is very simple: 25 amendments are under discussion and a range of topics are being raised. The scope of the amendments is very broad and I see nothing out of order in discussing them in full detail and at length. Some amendments have still not been spoken to. To be fair, that is not my or the Committee's fault.

There are 25 amendments in the group, and there is not much we can do about that. I want to be perfectly fair: it is only right and proper that the amendments get a good airing. I am sorry, but it is not appropriate to put the question, because, frankly, in my opinion the scope of the amendments has not been adequately dealt with as yet. We have not had contributions from any other Member—the hon. Lady is still moving the amendment—so I am sorry, but until I feel that adequate consideration has been given to the 25 amendments, we will have to go on in this vein.

Emma Reynolds: I am extremely grateful for your guidance, Mr Benton.

As I said earlier, I am sympathetic to the hon. Member for Stockton South in a way, in that I have not previously been involved with a private Member's Bill and I am not entirely sure of all the rules. This place has many strange rules with which I am not fully up to date. I still

have quite a number of points to make. I tabled a significant number of the amendments in the group, and I have not yet covered all their subjects. I welcome your guidance, Mr Benton.

One other suggestion is that the question in subsection (4) be formulated in a more negative way. Some would argue that that would be more straightforward.

Instead of

“Do you think that the United Kingdom should be a member of the European Union?”

or “Do you think that the United Kingdom should remain a member of the European Union?” it could be “Should the United Kingdom leave the European Union?” If we had more time and could have an evidence session with the Electoral Commission, or if we at least had a chance to sit down with the Electoral Commission, we could discuss the pros and cons of that suggestion. I have tabled my own amendment but there are a range of questions with similar meanings but subtly different nuances and implications. It would be good to have a dispassionate and objective point of reference for this critical element of the Bill.

9.30 pm

Mr Bain: I am grateful to my hon. Friend for giving way again. I am loth to raise the issue of a second question, not least because much political activity in Scotland was spent in that referendum discussion avoiding having a second question. Does she agree that it would be possible to append some words to the single question in subsection (4) to deal with the important issue of whether the proposal of the hon. Member for Stockton South would involve us leaving the European Union but remaining a member state of the European economic area? Would there not need to be some expression appended to the question to deal with that position and, if that were not his position, the question whether we would be permitted to remain within a customs union with the European Union? Do not these sorts of issues need to be addressed when we are considering the question?

Emma Reynolds: It is useful and instructive for the Committee to consider the discussions that took place on Scottish independence. Many of the issues are similar, not least the economic uncertainty that has been caused by having a referendum in Scotland next year rather than sooner. As my hon. Friend mentioned, there is also the wording of the question. The wording of the question here is not dissimilar to the type of question that is being asked in the Scottish referendum. There would be merit in not only amending the original question in the way I have described, but adding questions so that we could have an even fuller and more comprehensive consultation with the British people.

One of the ambiguities here is that if the answer to

“Do you think that the United Kingdom should be a member of the European Union?”

is no, those who choose to vote in the referendum might also like to have choice about an alternative. There are different alternatives. We could totally go it alone and not be a member of the European economic area. We could choose not to have access to the single market.

[Emma Reynolds]

We could not be in the customs union. I have tabled a fair few amendments, but if there had been more time, I would have tabled more.

It would be proper for the full scrutiny of the Bill to consider whether we could add two questions to the one already in the Bill: “Do you think that the United Kingdom should be a member of the European economic area?” and “Do you think that the United Kingdom should be a member of the customs union?” The other way of formulating the question is to remove entirely the “Do you think”. For example,

“Do you think that the United Kingdom should be a member of the European Union?”

could be replaced with “Should the United Kingdom be a member of the European Union?” or “Should the United Kingdom remain a member of the European Union?” The second question would then be “Should the United Kingdom be a member of the European economic area?” and the third would become “Should the United Kingdom be a member of the customs union?” All the different formulations have subtle and different implications, which is why I am keen that we have sufficient time to debate such issues.

As my hon. Friend the Member for Glasgow North East said, that is the nub of the issue. The nature, formulation and wording of the question, particularly if the wording is leading, are critical to the Bill. The question is the Bill’s central point. The Scottish experience is instructive, but the 1975 experience is equally so. In February of that year, prior to the referendum, a consultation was held on the question being put to the British people. In a White Paper, the Labour Government of the day said:

“Some argue that the precise wording of the question can have a significant effect upon the result.”

That is absolutely true, which is why the wording is so critical. The then Government were pretty open, as I understand it, about the wording, because they said in the White Paper that they were

“not yet committed to any form of words but following consultations with the political parties represented in Parliament and the leading campaigning organisations they propose for discussion that the ballot paper should read as follows...

DO YOU THINK THAT THE UNITED KINGDOM SHOULD STAY IN THE EUROPEAN COMMUNITY?”

I would love to be able to say that other political parties have been consulted. Given the significant constitutional implications, I would have thought that, even though the political parties differ on the issue, if the Bill is, as I am sure the hon. Member for Stockton South wants, to become law, a consultation on the wording of the question prior to or after the Bill would have been a much better way of proceeding. That is what happened in 1975.

Mr Bain: I want to strengthen and bolster my hon. Friend’s excellent case for an amendment by inviting her to consider what happened in the referendums in Quebec in 1980 and 1995 on whether it should become a separate state. As my hon. Friend may recall, there was huge controversy in 1995 because the question in that referendum talked only about sovereignty. Given how interested we know Government Members—particularly Conservative Members—are in the issue of

sovereignty, do we not need to explore all of the options for wording, drawing on best practice from referendums that have been held right across the globe?

Emma Reynolds: My hon. Friend is absolutely right. The wording of the question will be key to how the results of any referendum will be viewed, not only in our own country but across the European Union.

Martin Horwood: There is another interesting dimension to the Quebec referendums, especially the second one, which is that it was won by an absolutely minuscule percentage. I cannot remember exactly what the figure was, but it was much less than 1%. In those kind of circumstances, the precise wording of a question—a slight nuance that might tip a very small percentage of voters one way or the other—is actually quite important and could easily affect the outcome of the referendum. Quite a lot of referendums have been decided by a very small percentage—I think one of the Scottish referendums was, for example. These matters are of considerable importance in some circumstances.

Emma Reynolds: I could not agree more. There are pro-Europeans in the Conservative party and other parties who think that, if we were to have a referendum on our membership of the European Union, first we would stand a good chance of winning, but secondly that we would draw a line under the issue. If a referendum on our membership were held, let us say for the sake of argument, some time in 2017, and the experience of Quebec was repeated, because the majority in that hypothetical referendum was minuscule—the word used by the hon. Member for Cheltenham—there would probably be a major consideration of the nature of the question; that is what has happened in other cases. It would not be in the interests of this country to have a referendum that resulted in a minuscule majority, as there would continue to be a debate about whether we have drawn a line under the issue. It is in the country’s interests that if there is a referendum, it draws a line in the sand about whether we are in or out.

I am grateful to the hon. Gentleman for raising that example, because it goes to the heart of the issue. We have to get the question right. This is not a matter of pro-Europeans versus Eurosceptics; it is for the good of hon. Members across the House, Eurosceptics and pro-Europeans alike, that we get the formulation, the wording and the subtle implications of the question right.

Mr Bain: I emphasise how important this issue is by pointing to the referendums that have taken place in other EU member states. For example, Ireland has sometimes held two referendums on an issue because the outcome in the first was indecisive owing to issues about the question. Would it not be an appalling waste of public money if, because a poorly drafted question had been put to the public, there was a very contentious outcome leading, potentially, to further tens of millions of pounds of public money being spent on a second referendum?

Emma Reynolds: My hon. Friend is right. Yesterday, we debated the Government’s money resolution. During that debate, the Europe Minister, who unfortunately is not in his place this evening, talked about a sum of money, but said that it would be open to further scrutiny

and was not perhaps finalised. The sum of money that was being discussed last night was, I think, £75 million, so if the referendum had to be held again, that would cost another £75 million. During the money resolution debate yesterday one of my hon. Friends asked whether this is the right priority, given there are cuts across the country to local authority budgets and other budgets. One argument is to have one referendum. However, if we got the question wrong, it would double the cost. That would be of significant concern to my constituents and to those of other hon. Members.

9.45 pm

On the formulation of the question, there is something else that the hon. Member for Stockton South and the Committee could consider in an amendment. In January, the Prime Minister talked about renegotiation and repatriation. That could appear on the ballot paper. The 1975 White Paper suggested, before the question, including a section that reads:

"The Government have announced the results of the renegotiation of the United Kingdom's terms of membership of the European Community."

We could add a similar, short sentence to the Bill, should the hon. Member for Stockton South think it appropriate, because that is what the Prime Minister has suggested he wants to do. It would help my constituents and the electorate across the country to have as much information as possible on the ballot paper. Some hon. Members might suggest that is too much information, but that is something we can debate. I welcome views from across the House. However, it would seem more accurately to reflect the approach of the current Government.

It might be that the Government that takes power in 2015 does not want that sentence to be included on the ballot paper. But that is why—I return to amendment 30—the nature and the implications of the Bill are problematic. The Bill seeks to bind a future Parliament. If the Conservatives were to win in 2015 with an outright majority, they might welcome a reference to repatriation or renegotiation on the ballot paper. The pro-Europeans in the Conservative party—they are small in number, but there are some significant members of that group—might feel it strengthens their case and gives more information to the British people about what the Conservative Government has achieved. If we were in power, we might not consider it to be appropriate. If the Liberal Democrats win a majority in 2015, as I am sure they hope to, they might choose a different formulation. It would depend on the Government of the day.

The question of the preamble demonstrates the problem of seeking to bind future Parliaments. I would prefer, although I have not tabled an amendment to this effect—I am sorry I have not done that, but I have not had very much time—that we reserve judgment on what the question should be until nearer the time of the referendum. As I have already outlined, the changing nature of our relationship with the EU is such that what seems relevant in 2013 might not seem relevant in four years' time. Therefore, I think there should be some flexibility on the wording of the question.

Instead of stating the question in the Bill, the Bill could simply say—although I do not agree with this—that there will be a referendum before 31 December 2017, but at a date to be determined, the Government who

laid the order before Parliament should come up with a formulation and wording that seems appropriate at that time. It would be perfectly constitutional for the Secretary of State, as is formulated here, or the Prime Minister, as is formulated in my amendment 35, for that senior politician, when they lay the order before the House as is stated in clause 1(3), to consult on a cross-party basis on the formulation of the question.

That would follow the precedent that has been set in other referendums, such as the one in 1975. As I mentioned, there was consultation by the Labour Government at the time with the other political parties as to the formulation of the question. I believe that it would follow the precedent of referendums post-1975. I am sure that my hon. Friend, who has much more experience in Scotland than I do, will be able to instruct the Committee as to the nature of the negotiations that came about with regard to the question in the Scottish referendum. It seems that it is at least a convention and certainly a precedent that there is cross-party consensus and cross-party consultation.

Martin Horwood: I will obviously defer to the hon. Member for Glasgow North East who I am sure is much more of an expert on the subject of the Scottish referendum and the development of the question. However, as a Sassenach observer to the process, it did seem to get mired in controversy between the First Minister and the Prime Minister in London. That emphasises the need to try to extract these debates from party-political calculation and advantage, which I am afraid seems to be the direction in which the Bill is travelling.

It also emphasises the importance of having the Electoral Commission know, which was the whole basis of the elections and referendums Bill provisions; for it to be involved in the question. I absolutely agree with the hon. Lady that is important for people's confidence in the referendum outcome, whichever side they are on, for the question to have consensus behind it.

Emma Reynolds: I thank the hon. Gentleman for that intervention. It is pretty unedifying for there to be this sort of dispute over the words. We could avoid that in this situation by not having the question in the Bill but to defer it to a time nearer the deadline that is set in the Bill. I would prefer the deadline not to be set in the Bill, but we could try to avoid the sort of spat that the Gentleman was talking about between the First Minister and the Prime Minister, and perhaps some hon. Members in our party too. We should try to avoid that sort of party-political wrangling over the question. I do not think that it is in anybody's interest; not for those who are keen for us to have a referendum now or in 2017 and not for those who want either to leave or to stay in the European Union. These matters need to be discussed in a calm and rational manner. That is why I suggest that we simply defer the formulation of the question until 2016.

Mr Bain: I am most grateful to my hon. Friend for giving way again. The reason why her amendments are so necessary, and hopefully will be adopted by the Committee at some stage, is that in relation to Scotland, to draw the parallel with that referendum, it was not just the question that became contentious; it became whether the Electoral Commission was going to have

[Mr Bain]

responsibility for overseeing the referendum at all. Whether the rules that the Electoral Commission has devised for the fair handling of any referendum, including over campaign funding would apply to this referendum was also an issue. Does my hon. Friend share my concern that we have not seen in the Bill, particularly in clause 1 as it is currently drafted, any reference to campaign finance or funding, or any reference to the Electoral Commission's continuing or any supervisory role over this purported referendum?

Emma Reynolds: That is useful information in terms of the consideration of the referendum. My hon. Friend has conveyed to the Committee the problems that occurred in Scotland. If we are serious about the Bill becoming law, we should seek to avoid formulating the Bill in such a way that leads to similar problems and disagreements, which the hon. Member for Cheltenham also commented on. If I had had time to table more amendments and to consider the issue in more detail, I would have been minded to table an amendment that would totally change subsection (4) so that the formulation of the question would be deferred to 2016. That would be an appropriate and considered way to proceed.

Mr Bain: I am most grateful to my hon. Friend for giving way once again; she has been most generous.

Does my hon. Friend share my belief—this is another reason why I would endorse her amendments—that the reason why the amendments are required is that subsection (3) appears to grant the Secretary of State a wide discretion to appoint the date of the referendum before 31 December 2016? It strikes me—I wonder whether this also strikes my hon. Friend—that there could be considerable political changes in the European Union even after that date but before the deadline set out in subsection (2)? For example, French presidential elections are due in May 2017, which could have a dramatic impact on the nature of the European Union as it might develop in forthcoming years.

Emma Reynolds: I could not agree more with my hon. Friend. As I said earlier, significant elections are coming up. He mentioned the French presidential elections, which will have a big impact on how the European Union develops.

Another significant date in 2017, which I think passed the Prime Minister by in January when he announced the date, is 1 January 2017, which I believe is when the British presidency of the European Union starts. Although it could be considered that a referendum should take place that year alongside local elections to save money, it might not be appropriate to have a referendum on our membership of the European Union during the period in which we are in charge of driving the agenda of the Council, given our presidency, and the European Union.

My hon. Friend's point about the French presidential elections and my own point about the British presidency in the first half of 2017 show how little thought through this arbitrary deadline of 31 December 2017 is. Is the Conservative party—perhaps a Conservative Member would like to respond to this—suggesting that a referendum on our membership of the European Union should take

place in May 2017, when the British Government are busy organising the agenda and being the driving force of negotiations between EU member states for a six-month period? Or would we be forced to have a referendum in August, September, October, November or December? We have seen how short days and bad weather drove down participation in November. It was one reason why we did not have good participation in the election of police and crime commissioners.

10 pm

If we proceed with the Bill, and if the referendum were to go ahead in 2017, it would be in all our interests for as many of our electorate as possible to participate. I suggest that the referendum should take place at the time of a general election, a European election or a local election. Having such a tight time frame set out in the Bill makes that almost impossible.

Mr Bain: If a referendum were held on the basis that my hon. Friend mentions, there would also be important Electoral Commission rules about what documentation could be supplied to voters. In the 1975 referendum, every household in the country was given a copy of the second White Paper that Prime Minister Harold Wilson had presented to Parliament. In other referendums in Europe, copies of, for example, the Maastricht treaty have been delivered. I cannot contemplate the expression on the faces of some Government Members if, in 1992—if they had been eligible to vote—they had been delivered a copy of the Maastricht treaty. If voters are to be provided with proper information by the Government in relation to this referendum, the rules for doing so will have to be confirmed by the Electoral Commission, and they are not in the Bill as it is currently framed. Is that not a concern?

Emma Reynolds: My hon. Friend makes a useful contribution. The role of the Electoral Commission is key to the successful holding of any referendum. We have seen the problems that were encountered in Scotland. [Interruption.] The Minister for Europe has returned to the Committee Room just in time, because I was about to refer to him. Last night, he estimated the cost of a referendum at £75.3 million, which was also the cost of the alternative vote system referendum, but the timing under discussion now means that there could be a significant variation in cost. As I have suggested, it would not be appropriate to have a referendum in 2017, right in the middle of our presidency of the European Union. Therefore, the Conservative party should tell us whether it would be more expensive—I guess it would be, and perhaps we could have an estimation of the cost—to hold the referendum later in 2017.

That brings us nicely on to the other amendments under consideration. My hon. Friend the Member for Huddersfield, who unfortunately is not here this evening, and my hon. Friend the Member for Lewisham West and Penge have tabled a number of amendments about the timing of a future referendum on our membership of the European Union. Under amendment 4, there would be a referendum on 22 May next year. That is not my party's policy, but there is a certain logic to the suggestion. It would be logical, at the time of a European election in 2014, 2019 or 2024, to put the question about our membership of the European Union on the

same day. At European elections, the electorate are asked to elect their local Members of the European Parliament, so they are already considering issues with implications for European Union decision making. I do not necessarily agree with the 2014 date, but I can see that there are logical reasons for choosing that date.

Amendment 5, which is not in my name but in those of my hon. Friends the Members for Huddersfield and for Lewisham West and Penge, suggests that the referendum should take place on 6 May 2015—the same day as the general election. Again, I am not saying that I support its substance, but a more logical argument can be made for having 6 May 2015 as the date than for having an arbitrary deadline at the end of 2017.

Mr Bain: Again, while reserving any opinion on the substance of the amendment, would my hon. Friend concede that having a referendum on such a date, regardless of whether Labour supported it, would at least mean that Ministers would have to come to the House to spell out the implications of a yes vote or a no vote? It is great to see the Minister for Europe in the Committee once again, but when will we hear from the Government about the effects of the vote recommended by the hon. Member for Stockton South?

Emma Reynolds: I agree with my hon. Friend. Although I do not agree with the substance of amendments 4 and 5, there is logic to them. If they were accepted, Ministers, such as the Europe Minister, would be obliged to come to the House to set out the advantages of staying in the EU and the costs of leaving it. Only last night, the Foreign Secretary delivered a speech at the Open Europe event in which he talked about economic membership of the single market bringing important economic benefits, but there were no data about what those would be.

When, or if, the Minister responds to the debate, Opposition Members would like greater clarity from the Government, or the Conservative side of the Government, about the implications of the outcome of any referendum. In considering the Bill, it would be useful for the Committee to have the balance of competences report we have discussed—the Minister was not here earlier, but I wonder whether he could tell us when it might be published and whether we might have it in time for our next sitting, in September. However, it would also be useful, as my hon. Friend the Member for Glasgow North East said, to hear what the implications of leaving the European Union would be. I have tabled written parliamentary questions about that, and the Government have refused to estimate the cost of leaving. If we are to have a substantial debate about the implications of a referendum and a negative outcome, we would benefit from having that information.

To be thorough, let me reflect on the other amendments in the group. I have discussed amendment 5—in fact, I only got to amendment 5, I am afraid. My hon. Friends the Members for Huddersfield and for Lewisham West and Penge tabled that amendment, which would leave out “before 31 December 2017” and insert “on 6 May 2015”. I am not saying that I agree with that amendment, but there is a logical argument for trying to settle the issue before the next general election. I believe that the economy will be the defining issue at the next general election, but there is a rational case for asking why hon.

Members who want a referendum do not want it now. If my hon. Friends the Members for Huddersfield and for Lewisham West and Penge were here, they might argue that it would be better to settle the question of our membership of the European Union before the next general election. That seems a more logical scenario than the date in the Bill.

Amendment 7 refers to holding a referendum before 31 December 2015. Again, there seems to be a logical explanation for that, because it would leave it open for the date of the referendum to be on the same day as the general election. That might come early, so it might be better not to set 6 May 2015 in stone, as amendment 5 would do. If my hon. Friends the Members for Huddersfield and for Lewisham West and Penge were here, they might argue that it would be better to ensure that it could coincide with the general election, because there is a possibility of it coming earlier. Obviously it cannot be later 6 May 2015, because we have fixed-term Parliaments, but it is possible that the Government might collapse. I am not saying that that is likely, but it is a constitutional possibility.

Amendment 8 refers to replacing “31 December 2017” with “31 December 2016”. That would move the referendum forward, and it would be within the 18 months of a new Government coming to power. The argument for that might be to settle the issue sooner rather than later.

Mr Bain: On amendment 5, and the nature of the Government who will be in office on 5 May 2015, the day preceding the next general election, does the hon. Lady have any concern about the breadth of the power conferred on the Government by clause 1(3)? At the moment, as the hon. Member for Cheltenham informed us, we have a coalition Government. Does the hon. Lady share my concern that if there were, as has been speculated, a Conservative-led caretaker Government because the coalition had come to an end, a Conservative Foreign Secretary in a purely Conservative Government would have the power to operate in ways that would not be in the national interest in setting a date?

Emma Reynolds: That is perfectly possible. The truth is that the current Government introduced fixed-term Parliaments, which I support because when we were in government there was a lot of pressure to hold a referendum and constant speculation about the date of the next general election is not helpful. Fixed-term Parliaments steer us away from speculation about the date of the next election, and although I would not put money on it, I think it is extremely likely that the next general election will take place on 6 May 2015, but still do not know in what circumstances it will take place.

The Liberal Democrats might decide six months before 6 May 2015 that they want to withdraw their support from the Government, and there might be a minority Conservative Government during those six months. As my hon. Friend the Member for Glasgow North East suggested, it would then be open to a Conservative Foreign Secretary in a Conservative minority Government to lay the order as set out in clause 1(3). The only impediment to that—it would be a hurdle that a Conservative Foreign Secretary in a Conservative minority Government would have to get over—would be that they would have to get a majority in the House of

[Emma Reynolds]

Commons and House of Lords. If the Liberal Democrats, by that stage, had left the Government, it is even more unlikely that they would support them in that endeavour.

It is possible, although it may be highly unlikely, depending on—[*Interruption.*] The hon. Member for Cheltenham is frowning at us.

10.15 am

Martin Horwood: I am slightly distracted by the conversation behind me, so I did not quite catch the scenario in which we were walking out of the Government. I do not think that that is likely to happen. Perhaps the hon. Lady might repeat the scenario she is describing.

Emma Reynolds: I know that the hon. Gentleman gets on well with the Europe Minister. I have attended debates with both of them on many occasions. When it was suggested that the coalition would not fall apart, I saw that the hon. Gentleman was in great agreement. It is highly unlikely, but not impossible, that the Conservatives will have a minority Government for the last six months of the Parliament until May 2015. I am not saying that that is likely, but we were considering whether the different dates that we have been discussing might come to pass and also whether there might be an attempt to call a referendum earlier rather than later. I am not suggesting, and I do not think that my hon. Friend the Member for Glasgow North East is suggesting, that this will come to pass. We are simply saying that, constitutionally, it is a possibility.

The arbitrary date of 2017 is not well thought through, because many possible scenarios could develop before the end of that year. I would not want to invite further debate about whether the Government will stay the course. It is likely that they will, but it is not impossible that the coalition will not continue in its present form.

In amendment 9, my hon. Friends the Members for Huddersfield and for Lewisham West and Penge suggest a deadline of 1 July 2017, instead of 31 December 2017. If Members are wedded to an amendment to make the date some time in 2017, perhaps it would be better to get it over earlier rather than later. The Europe Minister will be well aware, because he is such an expert in such matters, that the British presidency of the European Union takes place in 2017. [*Interruption.*] I am led to believe that that is so. Perhaps the Minister will check with his officials.

Under amendment 10, the deadline would be shifted from 31 December 2017 to 31 December 2018. I am not convinced that some of the issues that I have been discussing about the dynamics between the eurozone and the non-eurozone will be—[*Interruption.*]

The Chair: Order. There is too much muttering going on around the room. Could I ask Committee members and those in the public gallery to keep their voices down?

Emma Reynolds: Thank you, Mr Benton. That is helpful. It would be easier if there were not many separate conversations going on at the same time as I am trying to make a speech.

Amendment 10 would at least provide a little more time to see how the nature of our relationship with the EU was developing. It would also give us time to see the nature of European integration of the eurozone 17, which by then will probably be more than 17, and developments on the whole debate about the EU and where we are in relation to it. I can see the logic in that line of reasoning, but I would prefer not to have a deadline written in the Bill.

Amendment 11, tabled by my hon. Friends the Members for Huddersfield and for Lewisham West and Penge, suggests replacing the deadline of 31 December 2017 with 31 December 2019. That would allow for a referendum on our membership to take place at the same time as the 2019 European elections. There is merit, financially and to ensure that the franchise is as wide as possible, in ensuring that the referendum coincides with a significant election. That date would be appropriate because elections to the European Parliament are, of course, about European decision making and our representation politically in that important institution, which now has co-decision with the European Council in many areas.

Mr Bain: The other implication of having the referendum around that date would be having the first UK-wide parliamentary elections since the full roll-out of individual voter registration, so it would therefore be an important means to determine whether that scheme was workable before the 2020 general election.

Emma Reynolds: I take my hon. Friend's point. There are deep concerns about the introduction of individual registration and its implications. That would certainly be a test of whether individuals had registered or whether the number of people on the electoral register had decreased. We simply do not know. I am sure the Parliamentary Secretary, Cabinet Office, knows those arguments inside out—much better than I do—so I would not want to embark on a debate about that with her. It is a key point that we will not know the effect of introduction of individual voter registration until it happens. This would be the first nationwide ballot following its introduction, so it would be good test case before the 2020 general election.

That brings me to amendment 12, tabled by my hon. Friends the Members for Huddersfield and for Lewisham West and Penge. It would replace the deadline of 31 December 2017 with the date of the general election in May 2020. Again, there is logic and a rationale to the amendment. Should the next Government be Conservative—we hope not—at least the Prime Minister, if still in post, would have had from 2015 to 2020 to pursue that renegotiation. At the moment, he intends to do that in the next four years, although he has only two years between 2015 and 2017, as we have already discussed.

Mr Bain: I am struck by an interesting thought—[*Interruption.*] I have many others that I can share with the Committee in the hours to come. While the coalition being returned at the next general election is a horrible possibility for me and my hon. Friend to contemplate, in other countries the leader of the smaller of the two coalition parties has been appointed Foreign Secretary. Does that not raise the possibility that the Deputy Prime Minister could be charged with laying such an

order? Does she believe that the hon. Member for Stockton South, or indeed the Minister for Europe, would think that a good possibility?

Emma Reynolds: I give way to the Parliamentary Secretary.

The Parliamentary Secretary, Cabinet Office (Miss Chloe Smith): On that point, the hon. Member for Glasgow North East will note that an amendment tabled by hon. Member for Wolverhampton North East states that the Prime Minister would lay the order. She therefore must be fearful of such a scenario.

Emma Reynolds: I welcome the hon. Lady's useful contribution. That proposal is in the second group of amendments, but I am happy to debate it with her. It is possible that the next Government will be a coalition. That might be Labour and the Liberal Democrats, the Tories and the Liberal Democrats, or, as I am sure the hon. Member for Cheltenham would prefer, a Liberal Democrat majority Government. It is more likely, however, that there would be a coalition of one sort or another.

As the hon. Lady points out, I want to provide clarity: we do not know which Secretary of State the Bill is referring to, so the amendment would require the Prime Minister to lay the order. If the Bill is not amended and the order is not laid by the Prime Minister, and given that we are talking about what Government might be in office between 2015 and 2020, my hon. Friend the Member for Glasgow North East is right to suggest that, while the Deputy Prime Minister does not hold the Foreign Office portfolio in this Government, under the next Government the Liberal Democrats might choose it.

The implication of the Bill's drafting—perhaps the hon. Member for Stockton South will provide clarification—is that laying the order would be for the Foreign Secretary, although that is by no means clear, and that Foreign Secretary might be a Liberal Democrat, not a Conservative. Those scenarios are possible and worth considering.

I would prefer amendments 4, 5, 6, 7, 8, 9, 10, 11 and 12 not to be accepted and my amendment to be accepted. We have been talking about all the possible dates, but they, like the Bill, represent arbitrary deadlines, not a realistic timetable in which there will be either treaty change or a significant renegotiation of our membership of the European Union. Nor do I think that, within that period, there will be any significant change in our relationship with the European Union. The dynamic between eurozone and non-eurozone will take some years to become clear, so I suggest that we do not specify the deadline of 31 December 2017.

It is up to those who support that deadline to explain the rationale for it; I am sorry to say that the way it was presented in January made it seem politically motivated. The Prime Minister said that that date was the mid-point of the next Parliament, but why is it important to timetable that date? If any Conservative Member wanted to offer clarification, I would welcome that.

It is not clear to me why such a date should be timetabled. It does not tally with any constitutional change that is happening in Europe, nor does it tally

with any change in our relationship or change of the sort that I discussed in relation to the eurozone and non-eurozone dynamic.

10.30 pm

The other amendments in the group concern the establishment of a Royal commission to determine the timing and the arrangements for a referendum. The debate has unfortunately become highly politicised. If we set up a Royal commission that was dispassionate, objective and very rationale in approach it would take the politics out of this question. Amendment 13 deserves to be considered in great detail. It would be interesting to hear the view of the hon. Member for Stockton South on this. Under amendment 13 the Royal commission would report to the Secretary of State within 24 months of its establishment. So we are talking about an early time frame. If we enacted this sooner, rather than later, that would be just after the next general election. That seems like a fairly good time frame to me.

Mr Bain: The amendment is interesting. It would be one way of having some sort of parliamentary investigation and a way perhaps of dragging out of the Europe Minister, who is unusually taciturn today, the implications of a yes vote or a no vote to the question in subsection (4). At least that would provide Members and the public with some means of having an investigation into the consequences if the Government are unwilling to provide the Committee with that information this evening.

Emma Reynolds *rose*—

The Chair: Order. Before the hon. Lady responds, I am taking the opportunity to suspend the sitting. Members need a break. The Committee will reconvene at 11.30 pm and the hon. Lady can respond then.

Martin Horwood: On a point of order, Mr Benton, it is rather odd that we are sitting later and later into the night. I warned my family that I might not be home tonight but it seems thoughtless and inconsiderate to House staff to keep them sitting later and later into the wee small hours. Is it not possible for you to put to the hon. Member for Stockton South that it might be approaching the time when the decent and sociable thing would be to move the adjournment for the day?

The Chair: I thought I had adequately explained this earlier on in our proceedings. We are discussing 25 amendments. Some of them have not been touched yet. I am determined that the amendments and the contents of the Bill are fully discussed.

Martin Horwood: *rose*—

The Chair: The matter is not in my hands. We have been sitting here for eight or nine hours now and we are getting other Chairmen lined for during the night as well. Members need a break. I declare the sitting suspended until 11.30 pm.

10.34 pm

Sitting suspended.

11.30 pm

On resuming—

[JIM SHERIDAN *in the Chair*]

The Chair: It would be extremely helpful if the shadow Minister could indicate when she will bring her remarks to a conclusion.

Emma Reynolds: It is a great pleasure to serve under your chairmanship, Mr Sheridan. I will speak briefly to the lead amendment in this group, amendment 30, and I will say a little about the timetable that we have been considering. I will also talk briefly about the constitutionality of binding the next Parliament.

Amendment 30 would change the wording of the part of the Bill that refers to holding a referendum to make it discretionary, rather than compulsory. It is important that in this Parliament we do not attempt to bind the next Parliament. My other amendments would ensure that we do not have an arbitrary timetable with 31 December 2017 as a deadline. I discussed in some detail a little earlier other deadlines that could be considered.

The Chair: Could you give us an indication of how long you intend to speak? I note that you are saying briefly, but is briefly five minutes or two hours?

Emma Reynolds: Briefly is probably three minutes.

The arbitrary timetable is a concern. The Minister for Europe's comments about why we have the date of 31 December 2017 would be welcome. Finally, I think that there are still discussions to be had about the formulation and the wording of the question. I must impress that on the Committee. I would really like the Electoral Commission to come in and talk to us either as a Bill Committee or individually so that we can be better informed about the best formulation of words for the question.

Mr Lidington: I, too, am delighted to welcome you to the Chair, Mr Sheridan, for the first time in these proceedings. I congratulate my hon. Friend the Member for Stockton South on his success in introducing this Bill. I want to address, I hope reasonably briefly, the various amendments that the hon. Member for Wolverhampton North East and my hon. Friend the Member for Cheltenham have tabled in this particular group. It might be helpful if I divide up my comments according to the theme of particular amendments.

Amendment 31 and new schedule 1, tabled by the hon. Member for Wolverhampton North East, seek to import into the Bill section 4 of the European Union Act 2011. In effect, it is very similar to a cut and paste job by which the hon. Lady seeks to introduce into the European Union (Referendum) Bill the tests laid out in section 4 of the European Union Act to determine when a referendum is required in the case of a treaty change, a new treaty or an article 48(6) decision, which, as the Committee knows, is the simplified provision procedure provided for under the Lisbon treaty.

I am delighted by the zeal that the hon. Member for Wolverhampton North East now demonstrates towards the European Union Act. It is a well-known biblical proverb that there is more joy in heaven over one sinner

that repenteth. I just wish that that enthusiasm had been demonstrated earlier, when we were taking that coalition legislation through the House and when, as my hon. Friend the Member for Cheltenham rightly reminded us, he and his Liberal Democrat colleagues joined the collective Government effort to pass that historic statute.

Emma Reynolds: I remind the Minister, who in his characteristic energetic and demonstrative way seems to be suggesting that my party and I did not support the European referendum Act, that we did not vote against it in the later stages of the Bill. Our opposition on Second Reading was about concerns involving judicial review.

Mr Lidington: The hon. Lady has just reminded us that she did oppose the Bill on Second Reading. To characterise her endorsement of that legislation as lukewarm would be something of an exaggeration, as that was certainly not how the Labour party presented its case at that time.

Martin Horwood: The Minister is bringing new energy to the debate. On the subject of consistency, Ministers in glass houses probably should not throw stones. He may remember his reply to the hon. Member for Rochester and Strood (Mark Reckless) soon after the passage of the European Union Act 2011, when he said:

"It will come as no surprise to my hon. Friend the Member for Rochester and Strood to know that I disagree with him about the need for an in/out referendum."—[*Official Report*, 16 March 2011; Vol. 525, c. 245.]

Maybe the Minister will explain what has changed in the intervening time.

Mr Lidington: We dealt with this on Second Reading, for which I think my hon. Friend was present, but I will come to that point later.

One of the flaws in the hon. Lady's amendment is that although it seeks to import section 4 of the 2011 Act into the Bill, it is silent on section 6 of the 2011 Act, which lists a whole set of further important European Union decisions that are now subject to the referendum lock. I could list them all—I would probably test the Committee's patience and yours, Mr Sheridan, were I to do so—but I will single out one example. Section 6 of the European Union Act 2011 would require a referendum were any future British Government to seek to join the euro.

I therefore confess to being slightly suspicious about the fact that the hon. Lady on the Labour Front Bench has chosen to exclude such a requirement from the amendment and new schedule that we are debating. I wonder whether it is the first hint that we have received since the passage of that legislation that the Labour party is reverting to type about joining the euro. The Leader of the Opposition said, when asked whether Britain would join the euro:

"It depends how long I'm Prime Minister for."

That idea is once again beginning to animate the Labour party's thinking. It suggests to me that at the back of the Opposition's mind, there is once more the idea that they can find a way to get this country into the euro without putting it to the test of a public vote.

Emma Reynolds: The Minister tempts me to respond and to get on the record the fact that, like the Conservative party and the Liberal Democrats, the Labour party is against this country joining the euro. When in government, we did not take the country into the euro. We said then that a referendum would be held. We did not need to put that into law; we made a pledge; and we would have carried it out if we had decided to join the euro, but we did not do that at the time.

Mr Lidington: It took until this Government came to office to close down the euro preparation unit that stayed in government until the last days of the previous Administration.

Amendments 38 and 14 deal with the role of the Electoral Commission in advising on the question to pose in the referendum. That is a perfectly serious point to make, and these are probing amendments. I remind the Committee that the established practice under the Political Parties, Elections and Referendums Act 2000, which was enacted under a Labour Government, is that the Electoral Commission should begin to consider the question to pose after the Bill to authorise a referendum has been given its Second Reading. That work has now started. The chair of the Election Commission in a letter of 9 July to my hon. Friend the Member for Stockton South said:

“Now that the EU (referendum) Bill has received its second reading, I wanted to highlight that we have begun this work.”

She says later in her letter:

“In terms of timing, we are confident that our report” on the referendum question

“will ready by October and well in advance of the earliest point that the EU (referendum) Bill could be ready to return to the House of Commons for its Report stage on 8 November.”

So the practice that is being followed with the Bill and the Electoral Commission’s role in commenting on the question is exactly the same as that which has been followed on other referendums since Royal Assent was given to the Political Parties, Elections and Referendums Act 2000. Amendments 38 and 14 are therefore simply unnecessary.

Other amendments pose various permutations for the date of a referendum. Some amendments propose that no deadline should be set. Some amendments propose an earlier date than the end of 2017; others propose a later date than 2017. The 2020 general election is cited in one amendment. The difficulty is that to set no deadline at all would leave us with a serious problem of public trust. The brutal reality in this country at the moment is that there is relatively little public trust in the word of all politicians of all parties. A simple promise that at some as yet unspecified date in the future a referendum might be held if the then Government were to get around to it will not be sufficient to assure the public that we are serious and that we have confidence in being able to settle the question definitively in a public vote.

The problem with setting an earlier date than 2017 is that, in practice, we would vote on a choice between the status quo in the EU and leaving, whereas my right hon. Friend the Prime Minister made it clear in his Bloomberg speech in January that he is seeking EU reforms, some of which can be achieved without treaty change and some of which, he believes, would require treaty change during the next few years. He has made it clear that his

wish is to be able to campaign heart and soul for continued membership of a reformed European Union. We will not know in the next few months—or even next year, I suspect—exactly how the work that our eurozone colleagues are undertaking to stabilise their currency union will affect the EU’s political and institutional structure.

The later date—the 2020 general election—carries the same disadvantages for public trust as setting no date at all. In one sense, the critics are right in that there is no magic to saying that we should have a decision by the end of 2017, but there is a pretty strong case for setting that deadline. For a start, setting a clear deadline of halfway through the next Parliament will command public trust and confidence and show that we are serious.

11.45 pm

Secondly, setting a deadline will impose discipline on the negotiations, on the part of the UK Government and that of our European partners, who will know that, by that time, a British decision will have to be made.

Thirdly, a deadline of the end of 2017 fits very well with the European timetable. I do not think that anybody seriously believes that the European treaties are likely to be open to revision this side of European parliamentary elections next spring and the subsequent appointment of the new European Commission. Similarly, there will be a French presidential election in the late spring and a German federal election in the autumn of 2017. That probably means that there cannot be serious negotiations about treaty change during that year, so the window of opportunity for Europe as a whole is from the latter part of 2014, through 2015 and 2016, leaving the two years up to the 2019 European parliamentary elections and the end of the Commission’s term for national ratifications. There is therefore a strong argument on European terms for the timetable in the Bill.

My hon. Friend the Member for Cheltenham asked what has changed, and I promised to give him a response. In the past two years, Europe has changed. When I look back to the autumn of 2011, I recall a crisis summit in Cannes with the then Prime Minister of Greece being effectively called in by the leaders of France, Germany and the Commission; open speculation, including from eurozone leaders, about whether their full membership could survive, and speculation in the media about whether the eurozone would fragment.

For us to have said at that point that we would go for a referendum would have had two adverse consequences. First, we would have posed a choice without any conception of where Europe was likely to end up in a relatively short time. Secondly, at that moment of existential crisis for our friends and partners in the eurozone, coming forward with a referendum proposal would have harmed our chances of securing the serious reforms to the EU, whether in a treaty or without the need for treaty change, that we wanted.

Amendment 30 would make holding a referendum discretionary rather than mandatory. To some extent, I have covered the arguments already. Much of the speech of the hon. Member for Wolverhampton North East on the group of the amendments was taken up with charges that the Government, in supporting the Bill, or my hon. Friend the Member for Stockton South, in promoting it, were creating uncertainty. Yet, in amendment 30, the

hon. Lady appears to have stumbled upon a way of maximising uncertainty by providing for a referendum but making it entirely discretionary, with no timetable and no duty on the Government to introduce the orders to settle the question once and for all.

The problem with the hon. Lady's charge of creating uncertainty is that uncertainty already exists. The question mark over the UK's membership of the EU is already there—it is a reality. Anybody who has looked at British opinion polls in the past couple of years can see that, in the Prime Minister's words, "public consent" to our continued membership is wafer thin.

As someone who wants us to stay in a reformed EU, I believe that that is not a satisfactory state of affairs, but I also believe that the only way to settle the argument once and for all is to put the question to the British people for a final vote.

We have here a rag-bag of amendments. Some are probing and well-intended, some are ill thought through and some are, quite frankly, a substitute by the main Opposition party for a position on the Bill. It has been striking, on Second Reading and during today's proceedings, how the hon. Member for Wolverhampton North East and her colleagues have tried as hard as possible to avoid saying whether they believe the British people should have a say. During the debates on the European Union Act 2011, I remember hearing exactly the same stuff from the Labour spokesmen and women about binding the hands of a future Parliament, because they could not make up their minds about what they actually wanted to do. I hope that, on reflection, the hon. Lady will decide to withdraw her amendments.

I should make it clear before I sit down that I have spoken this evening as a Conservative Minister and not on behalf of the coalition on as a whole. The two parties, which are committed to keeping the coalition going, have agreed to differ on the legislation. I believe that the amendments are fundamentally ill founded and that the Bill would be better off without them.

Mr Bain: It is a pleasure to serve under your chairmanship again, Mr Sheridan, and it is always a pleasure to follow the Minister. He gave an informed and entertaining performance, which was well worth waiting for, a mere 10 hours into the debate. I admired his saying that the reason for the 2017 deadline was the complete collapse of public trust in politicians. The reality is that the reason why we are discussing the Bill is the complete collapse of trust in the Prime Minister among his own Back Benchers.

We need to consider the amendments tabled by my hon. Friend the Member for Wolverhampton North East because it is not clear that under clause 1, the United Kingdom would continue to have access to the single market following a no vote. Even the Minister has said little about the consequences of clause 1 in its present form, but they will be critical for people and for businesses. Access to and influence in the single market, which can be guaranteed only by our continuing membership of the European Union, boosts our economy by £3,300 per household per year, and eight in 10 of our key export markets are inside the EU.

I am disappointed that neither the hon. Member for Stockton South nor the Minister have clarified the effect of a no vote to the referendum question in clause 1(4)

on our membership of and ability to shape the single market. Enlargement has more than doubled UK trade to the 12 member states that acceded to the EU between 2004 and 2007. By negotiating as part of the world's largest single market area, the UK can achieve a far better deal than it might do as a single negotiating state. I hope that, in our future considerations, perhaps on this group of amendments, both the hon. Member for Stockton South and the Minister will explain their position on that matter. I appreciate that the Minister says he speaks as a Minister, but it is highly unusual for a Minister to speak as a Minister but not on behalf of the collective position of the Government, so it would be sensible for him to tell us the Government's position on what the implications of this clause actually are.

As my hon. Friend the Member for Wolverhampton North East points out, the Bill is currently drafted and predicated on an arbitrary referendum timetable that leaves inward investors with four years of uncertainty on whether the UK will remain within the EU, be part of the single market or be part of a customs union shared with the EU, or indeed none of those options. The Prime Minister cannot tell us which elements of the UK's current terms of membership he wishes to renegotiate. I know he made a brief appearance to observe the Committee's proceedings earlier, but we have not heard any statements in the House from him on what people would actually be asked to vote on if the clause is passed in its current form and if the question that the hon. Member for Stockton South has put before the Committee becomes the referendum question.

It is also entirely uncertain whether any of the aims of renegotiation are actually achievable. The renegotiations depend on the unanimous approval of the 27 other member states. Many of the possible areas that the Conservative party might wish to see repatriated to member states, such as policy on health and safety, employment rights or potentially ending the European Court of Justice's jurisdiction in national legal systems, may cause distortions within the single market and would meet concerted opposition from our partners.

Is it the argument of the hon. Gentleman and the Minister that they wish to repatriate competences on workplace safety and maternity rights in order to improve them here in the United Kingdom? Or is it that they wish further to impose the Beecroft agenda, which is motivated by the impulse that decent rights at work are the enemy of economic growth? If that is the ambition, why conclude it by a timetable of 2017? In the debate on these amendments, we have heard the contrast between the process on which the hon. Member for Stockton South is engaged in this Committee and the process undertaken by the Labour Government in 1974 and 1975, when they negotiated the UK's conditions of entry, before a referendum in 1975, within a five-month time scale. The negotiation was agreed by the other member states in March 1975, and it was followed by two further White Papers on the terms of the negotiation before the referendum Bill was published and presented to Parliament.

In summary, when Parliament was asked in 1975 to pass legislation required to establish a referendum, it was in the context of a White Paper produced by the Government that spelled out the full details of the implications of a no vote and the precise implications of what the electorate were being asked to vote for. As it

stands today, there is nothing in clause 1 that remotely matches the rigour and informed involvement of Parliament that occurred in that process in 1975.

This debate has been illuminated by the experience of referendums in other states and of the referendums that have occurred and will occur in this state. Mr Sheridan, you and I have the great privilege of representing Scottish constituencies, so we have a unique insight into the process that is leading up to the referendum on independence in September 2014.

On the referendum on Scotland's future within the United Kingdom, the Government were right to point to the need for fully informed debate. They were right to say that voters and Members of this House needed the tools to scrutinise the implications of separation. It was interesting that in January 2012, the Government said that having an arbitrary date set four years hence for a referendum on independence held by the Scottish Government would cause excessive uncertainty for inward investment.

12 midnight

How, then, can the Government believe that it is right to have four years of uncertainty ahead of a referendum on the UK's membership of the European Union? Unlike its Scottish counterpart, that referendum would have to be conducted on the basis of a pre-negotiated treaty to alter the conditions of membership, which the Prime Minister may not even be able to negotiate in the end. Where is the intellectual consistency between the arguments that the hon. Member for Stockton South made on Second Reading, those made by the Prime Minister in relation to Scotland, which were addressed in the Edinburgh agreement, and the Conservative party's arguments for a referendum in the terms set out in clause 1?

There is no plan on the details of renegotiation, no logic in the timing and no assessment of the consequences. I put it to you, Mr Sheridan, that, in the long history of this House, there has never been a weaker basis for endorsing a matter of prime constitutional importance than the one on which the Committee is being asked to endorse clause 1. I hope that the Committee will consider with great diligence the amendments that my hon. Friend the Member for Wolverhampton North East so ably introduced and consider whether, in all conscience, it can allow the clause to stand part of the Bill unamended.

Martin Horwood: I probably speak for the whole Committee in thanking you, Mr Sheridan, for stepping into the breach at this very late hour. I hope I also speak for the whole Committee in saying thank you to the Commons staff, who have continued to support us this late into the evening. I thank those who are not even in this room, such as the *Hansard* reporters—[*Interruption.*] Yes, and the Foreign and Commonwealth Office staff, and those such as Noleen and her team in the Tea Room, who are prepared to keep supporting us. Politicians are used to shenanigans such as this, but sometimes we forget that other people have slightly more normal expectations of family life, home, bed and so on.

There are quite a lot of amendments in this group, but I will try to move through them as swiftly as I can. Amendment 30 would simply make the referendum discretionary rather than mandatory. Like the Minister

for Europe, I am not convinced about that, because it would seem to remove the essence of the Bill, which is to mandate a referendum. It is already possible for a Government to hold a referendum if they so choose, and I understand that the legal advice is that in any case, a more substantive vote would be needed to call a referendum. If we simply changed the words "is to be held" to "may be held", we would simply be stating the bleeding obvious, if that is parliamentary language. I am not particularly persuaded by the arguments of the hon. Member for Wolverhampton North East in favour of that amendment.

The hon. Lady may be technically right that one Parliament cannot really bind its successors, and another Parliament always has the liberty to reverse what has been decided before, but it has not stopped us trying in the past. Examples under the Labour Government include the Climate Change Act 2008, which set targets all the way to 2050 in an attempt to bind many future Parliaments on energy and carbon emissions policies for decades ahead. I am not therefore not persuaded by amendment 30.

Amendment 31 and new schedule 1 would insert transfer of power arrangements in the Bill. I have some sympathy with the hon. Lady on that. If she missed out referendum triggers relating to the euro, I suspect that that was simply because of the haste with which we all had to table amendments. The debate on the programme motion rather explained some of the problems with the timing of the Bill, so we probably should not repeat those points.

As the Minister spotted, the list that would be inserted by new schedule 1 originated in the European Union Act 2011. In fact, the concept originates in Conservative party policy as it was for at least a couple of years after the cast-iron guarantee of a referendum on the Lisbon treaty and prior to the policy that has now emerged. There is a slight suspicion that the trigger was designed never to be pulled and that the various conditions were expected to discourage any kind of treaty change along such lines, so a referendum would therefore never be held. At the time, the Minister warned against any kind of deviation from that approach, so it is interesting to hear him argue against the inclusion of those conditions in a referendum trigger.

In practice, the trigger for a referendum is quite light. The hon. Member for Wolverhampton North East made a good point about there being some changes of minor constitutional significance that would nevertheless trigger a referendum. Had there been time, we might have considered the list carefully and in more detail.

Amendment 33, along with amendment 2, to which I have now put my name, although it was originally tabled by the hon. Member for Ilford South (Mike Gapes), would remove the specific date of 31 December 2017. I heard the Minister's attempt to justify that date, but I am afraid that it did not hold water for me. I did a quick sweep of the web to try to find out the significance of the date, and found some interesting anniversaries. On 31 December 406 AD, the Vandals, Alans and Suebians crossed the Rhine and invaded Gaul, presumably in an early attempt at European unification. In 1229, James I of Aragon completed the reconquista of Majorca, thereby ensuring that generations of British holidaymakers would have to learn the Spanish word for beer, rather than the Arabic, I guess. In 1923, the chimes of Big Ben

[*Martin Horwood*]

were broadcast for the first time on 31 December. In 1941, Alex Ferguson was born—perhaps that is the anniversary with massive significance.

The date that has been chosen is arbitrary and something of a political ruse. Its significance relates, of course, to the general election. It is far enough away for the Conservatives to promise jam tomorrow, so that they can maintain unity to the general election campaign and beyond, but not so far away that it makes the Eurosceptic wing of the party too unhappy.

In practice, the date is unrealistic because we have no idea what the precise situation will be in 2017. The Minister's confidence that the fundamental problems in the eurozone relating to debt and competitiveness—there are still trillions of debt in the eurozone—will have been resolved is somewhat misplaced. We might still be in the throes of discussions about the future of the eurozone. There might be consequential discussions about whether treaty change is required to guarantee financial stability in Europe. There might still be discussions, either side of a German or a French election, about exactly how the European Union is to move forward collectively. Indeed, even considering the terms set out by the Conservatives for the suggested renegotiation, there is no guarantee that that process will be in any sense complete—especially if it is embarked on only after the general election—and it might have run into difficulty. The idea that anything at European Union level can be completed on such a fixed time scale runs against all the Minister's experience on other European issues.

On the ambition for renegotiation, we may refer to the Prime Minister's speech of 23 January 2013, which set out his great vision for Europe. He referred to five fundamental principles: competitiveness, flexibility, democratic accountability, fairness and the fact that there must be the ability for power to flow back to members states, not just away from them. None of those is something to which any reasonable person could object, and when one delves into the detail of the speech there are very few concrete suggestions for reform that anyone could object to—certainly no one in the Liberal Democrats could—and they do not dictate any particular timetable, most importantly, of course, because most could be achieved without the threat of a referendum at all. They could perfectly well be achieved through multilateral action, negotiation and working with likeminded allies across Europe. I hope that that process is already under way under the coalition Government.

Amendments 28 and 29 relate to a royal commission, amendment 34 would delete the date of the Secretary of State's order, and amendment 37 would ensure that the question in clause 1 was the only question in the referendum. They are all rather crude attempts at provoking further debate and possibly delaying the process of the Bill. Obviously, I would not countenance that. In particular, the idea that setting up a royal commission would be acceptable to the public does not hold much water; it is fairly obviously a delaying tactic and an attempt to kick the Bill into the long grass.

Amendments 38 and 14 are variations on the words “be”, “remain”, “should remain” and so on in the question. I suppose that we should listen to the Electoral Commission on that issue, which should not be a matter for party political debate. As other hon. Members have

said, it should be a matter, wherever possible, of cross-party consensus and we should try to avoid the unedifying example of the arguments over the Scottish referendum question.

At some stage, perhaps later, we need to consider whether we can amend the Bill to align it with the 2000 Act. I have no strong views on whether “be”, “remain”, “should be” or “should remain” is the best wording, but it is important to have a fair process to determine the question because, as we discussed in the context of Quebec, sometimes referendums are decided by minute percentages, and who knows the psychological impact of a particular form of words? Whether it is a yes or a no, in whichever direction, there can be an impact on such questions.

I will draw my remarks to a close at that point. [HON. MEMBERS: “More!”] I am astonished at the outpouring of support from Conservative members of the Committee, and grateful for it. This first sitting has been extraordinary, in that normally eloquent Members, such as the hon. Members for Bournemouth East, for Cannock Chase and for Stockton South, who was very eloquent on Second Reading, have sat in silence and not responded to any debate on a Bill that they support, which is extraordinary. I have never encountered that in a Public Bill Committee, so we are clearly dealing with a rather strange animal.

Emma Reynolds: Amendment 30, like the other amendments standing in my name, is probing and I do not wish to press it to the vote.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Emma Reynolds: I beg to move amendment 35, in clause 1, page 1, line 5, leave out “Secretary of State” and insert “Prime Minister”.

Clause 1(3) says:

“The Secretary of State shall by order, and before 31 December 2016, appoint the

day on which the referendum is to be held.”

I suggest to the hon. Member for Stockton South that it is ambiguous as to which Secretary of State is being referring to—deliberately ambiguous perhaps, although I do not know. The rationale for my tabling the amendment was that it would be helpful either to replace “Secretary of State” with “Prime Minister”, or to be more specific about which Secretary of State. It could be the Foreign Secretary—

The Chair: Order. I am conscious of the fact that conversations are going on in the Public Gallery. They are interfering with the work of *Hansard*, so please have any private conversations outside the room and please do not interfere with members of the Committee.

Hon. Members: Hear, hear!

12.15 am

Emma Reynolds: Thank you for that, Mr Sheridan.

Instead of “Secretary of State”, there is a logical reason for stating “Foreign Secretary” because European policy is, after all, their responsibility, or—I do not

know whether this is what the hon. Member for Stockton South had in mind—the Bill could specify the Deputy Prime Minister, who at least in this Government, although perhaps not in the next, is responsible for political and constitutional reform. Perhaps the Secretary of State for Justice, under the Political Parties, Elections and Referendums Act 2000, deals with referendums as part of his brief.

I urge the hon. Member for Stockton South to reflect on whether he wants to make the Bill more specific and, therefore, more meaningful. He could accept my amendment and specify the Prime Minister, or introduce his own to deal with the ambiguity.

Miss Smith: It is a pleasure to play my part in proceedings and to serve under your chairmanship, Mr Sheridan, at this late but none the less enjoyable hour.

It falls to me to make an extremely brief comment. The amendment tabled by the hon. Member for Wolverhampton North East is unnecessary, because we

use “Secretary of State” in legislation to refer to any Secretary of State. The effect she seeks is already achievable through current conventions on such language. I am, of course, bowled over that she wants to specify the Prime Minister, and I am sure that she particularly intends the current Prime Minister to have that pleasure.

Emma Reynolds: The amendment is probing—an attempt to set down something that the hon. Member for Stockton South might want to return to. I hear what the Minister says, and I am grateful that she is here at this late hour to state her position on that line in the Bill. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Ordered, That further consideration be now adjourned.—(*James Wharton.*)

12.18 am

Adjourned till Tuesday 3 September at Two o'clock.

