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Witnesses: Rt Hon David Lidington MP, Richard Wood and Edward Hobart

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Members present

Lord Boswell of Aynho (Chairman)
Baroness Armstrong of Hill Top
Lord Blair of Boughton
Lord Borwick
Earl of Caithness
Lord Davies of Stamford
Baroness Falkner of Margravine
Lord Green of Hurstpierpoint
Lord Jay of Ewelme
Lord Liddle
Baroness Prashar
Baroness Scott of Needham Market
Baroness Suttie
Lord Trees
Lord Tugendhat
Lord Whitty
Baroness Wilcox

Examination of Witnesses

Rt Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, Richard Wood, Head of EU Directorate, FCO, and Edward Hobart, Migration Envoy, FCO

Q1 The Chairman: Good afternoon, Minister of State Lidington. You will be immensely familiar with the workings of this Committee. We are very grateful for your continuing interest and attendance on it and are looking forward to the answers this afternoon. The Council seems a little time ago now—it was in March—and a lot has happened in that time. You will be familiar with the format. This is a public evidence session, so we are recording it and will supply you with a transcript for any necessary corrections of a small factual nature. Of course, we have always valued the opportunity to use this as part of a dialogue. If you want to add further thoughts or to reserve any thoughts for later consideration, we will try to accommodate that. We are all conscious that there is a very wide range of agenda and, to put it frankly, rather a lot going on. Unless you have anything that you want to share with us initially, perhaps you could just introduce your colleagues and then we will kick off.

Mr Lidington: Thank you, Lord Chairman. I am accompanied on my left by Richard Wood, who is the head of the EU Internal Department at the Foreign Office, and on my right by Edward Hobart, who is the FCO’s migration envoy.

The Chairman: Thank you. We have had the horrible terrorist attacks in Brussels—it seems almost surprising that they actually took place after the Council meeting—and frankly, on many
occasions when we look at policy, we have to look at humanity as well. Can you give us an update on the European Union response to the attack and, more generally, its efforts to ensure future safety and security for its citizens?

Mr Lidington: Yes, Lord Chairman. As I think was implicit in your question, of course considerable responsibilities lie with national Governments to respond, especially given that the European treaties themselves refer to national security as being a member state competence, but there are ways in which the EU can strengthen our response. What I hear from the agencies and from the police is that terrorism, but also much other serious crime, is now organised across national frontiers, including within Europe, and that therefore arrangements for effective co-operative action between police and judicial systems are essential.

To answer your question directly, within the last few days, on the 14th of this month, the European Parliament finally voted to adopt the directive on passenger name records. This is something that the Home Secretary has been pushing for for a long time, as you know, and we now need urgent action to implement that directive. That responsibility lies primarily with member states. The legislation is there on the books, and we need a European network of effective passenger information units so that this new measure works effectively.

Other things that we are active in trying to get the EU to focus on are new rules on the acquisition and possession of firearms and the movement of firearms around Europe. I would add in parentheses that the members of this Committee will know from our domestic experience how complex any legislation concerning firearms is. You get into questions about definitions and exemptions for institutions such as museums or collectors of antique firearms, but there is a determination that we have to do more on this. Thirdly, we need to take action to implement existing EU rules on explosive precursors; and, fourthly, we are pushing strongly for further work on information sharing.

There are two things in particular that I would mention here. The first is the European Criminal Records Information System—ECRIS. At the moment, this is an arrangement for the exchange of criminal records. It is not a centralised database. We have been pushing for and working with partners, particularly the Commission, for a proposal to turn ECRIS in part into a formal index of the convictions of third-country nationals, so that one actually has a database and not just a system of requests and answers.

The other effort in information exchange is the Schengen Information System II—SIS II, as we tend to call it in the jargon. As the Committee knows, this is an EU-wide IT system that is
used for law enforcement, immigration and border controls in the EU. We joined it in April last year, but for law enforcement purposes only. We are not participating in the immigration aspects of this measure, as we do not participate as a member of the Schengen border-free area. That opt-in to the criminal justice side has been very useful, but there is a category of data that Schengen-group members have obtained through the work of their immigration services, to which we do not have automatic access because we are not party to Schengen. We are now seeking a bilateral arrangement between the EU and the United Kingdom that would enable us to have access to that particular category of data.

**The Chairman**: Presumably that is also to share information that we have with the Schengen area.

**Mr Lidington**: Yes, we would also share information that we have. Obviously there would not be quite the automaticity that is available to members of Schengen, but given our decision to be out of Schengen, which I support, it is the best available way forward. I could go on. Many other measures and initiatives are being taken, but those are the ones that I would highlight.

**Q2 The Chairman**: Thank you, Minister. The point you made—“I could go on”—would probably apply to anything in this. There is a lot of it and we need to respect that. I know that Lord Blair has an interest that he wants to ask a question in relation to in a moment. Can I just respond quickly to two points that you have made? First, I take it that the European Union and its institutions and agencies, such as Europol, will pay at least some attention to continuing the evaluation, for example, of compliance with passenger name records and how the system is working in practice. The second point, which we can perhaps flag up to you, although I appreciate that it is not your departmental responsibility, is an interest which this Committee has taken in an early adoption of the Prüm obligations as soon as possible. To put it bluntly, people will not thank us if defences are down or not complete if they are challenged again. Can you at least give us some assurance that both those areas are under discussion and in development?

**Mr Lidington**: On Prüm, it is clearly important to give us better access to DNA profiles and fingerprints that are held elsewhere in the EU. We applied to Prüm following the votes in both Houses last year. The Commission has until 23 May to give a formal response to that application. I see nothing that suggests that there is any problem, and the Home Secretary’s very clear view is that we need to get on with this as rapidly as possible.
On your first point about implementation, yes, we are very alive to the fact that it is not enough to have rules on the statute book; you actually have to ensure that they are working effectively. That takes us back to the question of national Governments and indeed of national police forces and other agencies. Brussels coming after Paris last year has shocked a number of Governments into recognising what a serious and ruthless threat we face from international terrorism. While I cannot be complacent, I do think that there is a determination to make this work better.

Q3 Lord Blair of Boughton: If I can explore that a bit further, the issue that emerged out of the Brussels attacks was what appears to have been serious intelligence failures between France and Belgium, and the fact that the attackers in Brussels were linked to the French attacks. One of the things I hear about where we have got to so far is that it is mostly the criminal records, DNA and so on of the people who have been convicted. I think you are saying that something is happening about this. Europe is actually understanding that it has to allow its security services across its borders to work together with its federal police or the Metropolitan Police on terrorist leads. Do you see that beginning to happen, because I do not think that the public are going to be very forgiving when the next attack happens in Bonn and they are all connected to Brussels, Paris and so on?

Mr Lidington: For obvious reasons, I have to be careful about what I say in public session. First, I would say that some of the questions that were raised about the Brussels attacks were about communications and sharing information between different Belgian agencies rather than across national frontiers. That is a matter for the Belgian Government to take on board. We have offered bilateral help to the Belgians, if they would find that of assistance, to build on our experience of dealing with a severe terrorist threat and the need to gather information about terrorist plans.

We are not seeking and would not support the creation of a European version of the CIA—a pan-European intelligence agency. There are some difficult points about the model that Lord Blair sketched, in that operations carried out by one country’s agency inside another country’s territory would raise questions about the legal framework under which those operations were authorised and what sort of redress there would be for the civilian in the system of warrants and reviews that we have here. Other countries have different constitutional and parliamentary arrangements.

The Counter Terrorist Group was set up in the wake of the 9/11 attacks at the request of member states. It sits outside the EU structures and has agreed to establish a new multilateral
intelligence-sharing platform by July this year. It has developed a secure infrastructure, so it will secure communications and be able to produce regular threat assessments. The CTG is made up at the top level of the heads of service for all EU member states, as well as Norway and Switzerland. It gave a presentation to the JHA Council in January. We think that is the appropriate forum to take this work forward, as it brings the practitioners together.

**The Chairman:** Thank you. That is helpful. If we may, we will pass on to another major concern of this Committee, which is the migration issue.

**Q4 Baroness Prashar:** The process for returning irregular migrants has been operational since 20 March. How effective has it been?

**Mr Lidington:** It is early days, but the signs are that it is having an effect. If we look at the average number of people crossing the Aegean and arriving in Greece, in April numbers were down by about half compared to the same period in March this year. Turkey accepted back more than 300 returnees from Greek islands last week, and it has made space available at facilities to accommodate people who are being returned. There is a lot of work to be done. We had a discussion about some of this at the Foreign Affairs Council yesterday and had a good discussion at lunchtime with the UN High Commissioner for Refugees. There is a Justice and Home Affairs Council this Thursday, at which these measures will be taken forward. We are also continuing to deploy our experts in Greece, working largely through EASO and FRONTEX, helping for example with the screening and processing of migration cases and asylum claims. As the Committee knows, after the United States we are the biggest single bilateral donor to the Syrian refugee crisis as a whole, including support for Lebanon, Jordan and Turkey itself.

**Baroness Prashar:** May I ask a couple more questions about the operation of it? What legal instruments are being used to implement the agreement? How are you ensuring that fundamental rights are respected? How will the one-to-one process work? What selection criteria will be used, and who will be responsible for putting it into practice?

**Mr Lidington:** The starting point is that the statement of the EU Heads of State and Government that followed the summit with Turkey was very clear that all this work would have to respect both European and international law. We are confident that it can be done in that way. The procedure for returns is being carried out first under bilateral existing Greco-Turkish returns agreements, and now under the EU-Turkey returns agreement that has just been negotiated. In April 2014, Turkey began to apply a new law on foreigners and international protection that was modelled on EU standard asylum systems. That provides a
system of international protection to asylum seekers and refugees, and the treatment of different categories of asylum seekers and refugees, which are not substantially different within Turkey, according to their country of origin.

The asylum procedures directive allows member states to declare an asylum application inadmissible and to reject an application without examining its substance. Now, one could envisage two possibilities in respect of Turkey. The first is that, under Article 35 of the asylum procedures directive, the person who is on EU territory has already been recognised as a refugee in that third country, Turkey, or otherwise enjoys sufficient protection there; or you could look at Article 38 of the directive, which refers to third countries where the person has not formally received protection in the third country but the third country could guarantee effective access to protection to that person if readmitted.

The discussion with Filippo Grandi yesterday was interesting. I am not going to say that he was content with everything, but he did say that he was now “broadly happy”—I think that was his phrase—with the system as it was being applied within Greece. He was becoming more reassured about the situation in Turkey. There is still an issue about access by the UNHCR to non-Syrians inside Turkey. We and other member states are pressing the Turks to agree to that kind of access. The atmosphere in that meeting with Mr Grandi in Luxembourg yesterday was very constructive. It was not an adversarial meeting at all. Quite rightly, the UNHCR will have its remit, but this was not a meeting where people were lobbing stones at each other.

Baroness Prashar: May I ask a question about Turkey itself? Turkey already has 3 million refugees. Are we satisfied that there are adequate reception conditions and that it is a safe country, given that it does not observe the Geneva Convention?

Mr Lidington: I will ask Ed to chip in a bit more on this. It has not been good enough. Of course, the reason why the surge of migration across the Aegean started last summer was that the UN did not have the resources from donors to maintain food rations or hours of schooling in their camps. It was hardly surprising that people felt that they should put themselves in the hands of the smugglers and try to get to Greece. The key thing here is to ensure that that support is given for adequate food and education to be available in the camps. That is about spending both EU money—we are a long way from spending all of the first €3 billion that has been promised—and bilateral contributions, and making sure that people deliver the additional pledges that they made at the London conference on Syria very recently.
Ed, you must correct me if I am mistaken, but at the same time I think the Turks have relaxed some of their rules to make it easier for people to work within Turkey.

**Edward Hobart:** Syrians can work within Turkey and have education. The target is that by this summer all children should be in schooling, including Turkish children who were previously out of school. A lot of that is being delivered through UNICEF. That is why the UNHCR is happier about Syrians returning, because as a group they are immediately given temporary protection and access to work. Non-Syrians, under both the UN convention and other treatments of asylum seekers, do not necessarily get the right to work. What is important, particularly looking at Article 3 European convention rights, is that they have some kind of form of living—accommodation and food—and the right to apply for temporary protection. The Turkish focus is on providing those two things, so that when an Iraqi or Afghan is returned they are not on the street but go to a centre. This is why it is also important for both the EU and the UNHCR to secure access to those centres. The Turks have been moving people out of their immediate reception centres close to Greece to other facilities in the country, so they have that capacity available. They have several thousand spare places at the moment and have a plan to construct more, partly by spending EU money.

A second thing is enabling them to have access to temporary protection. There is a backlog of cases in Turkey, but it is a very new—a year and a half-old—service, so in some ways it is understandable that there is a backlog. We need to ramp that up and make sure that people can submit applications for temporary protection, which in a way is a form of asylum, within a reasonable timeframe. This relates to your question about the 1951 convention. Turkey is a signatory, but it limits the application to Europeans. The law that the Minister mentioned, which is the law on foreigners and international protection, provides very similar kinds of protection, which the UNHCR supports. It has been part of implementing that process, and to date it has also done a lot of the asylum processing on behalf of the Turks, which is about to change. We and UNHCR think that that law is adequate for providing protection to an Iraqi fleeing from Iraq, for example, who had genuine fear of persecution or war.

**The Chairman:** If I can just pick up the Minister’s remark, I interpret that as saying that a substantial amount of the EU aid to Turkey is being directed specifically to the immediate handling of people in camps in Turkey, particularly in relation to their health.

**Edward Hobart:** They are sizable amounts of money. I think that about €60 million has been allocated to that at the moment, but far more has been allocated to UNICEF for education, for example. We are talking of initial tranches of a few hundred million euros.
The Chairman: We have not talked much about healthcare, but presumably that needs to be available, not least because of the public health implications.

Edward Hobart: I know that as part of the treatment of Syrians they have access to the healthcare system. Non-Syrians have access to emergency treatment, etcetera, but that is one of the areas that will need to be looked at.

The Chairman: I am anxious that we do not spend the afternoon on this, although it is obviously of great concern to everyone, including Ministers. I have two questions, which I will perhaps get my two colleagues to ask together to wrap up this area of questioning for the moment. Lord Jay and then Lord Davies, you can put those together.

Q5 Lord Jay of Ewelme: This is a supplementary question. There has been a certain amount of reporting in the last few days about an increase in migratory flows from north Africa through to southern Europe. I wondered whether that was true, and if it was whether it was seasonal, because things are warming up. Is there any evidence of any kind of diversion from the Aegean to other routes across from north Africa? If there is not, do you think there could be a temptation for smugglers and traffickers to try the longer and more dangerous route if they feel that the route across the Aegean is effectively being blocked?

Lord Davies of Stamford: There is an obvious connection between migration and the control of frontiers on the one side and protecting ourselves against terrorism in this country on the other. Do you believe that our being a member of the European Union makes it easier for us to protect ourselves against the terrorist threat, or could we have an equally acceptable outcome by a series of bilateral or ad hoc agreements if we left the European Union decision-making structures and then had separate dealings with the Union, its agencies or individual member states?

Mr Lidington: On Lord Jay’s question, yes, there has been an increase in the number of people arriving in Italy. At the moment, the evidence suggests that they are people coming from African countries rather than people being diverted from the Aegean, although clearly there must be a risk, given the professionalism of the people smugglers, that they seek to direct people through Libya. Paradoxically, if the GNA succeeds in restoring a measure of political stability to Libya, the people smugglers may be tempted to try harder to take advantage of that.

The other risk is that people who are in Greece may be encouraged by the smuggling networks to try to get to western Greece or to Albania and then across the Adriatic. There was a focus on this issue yesterday, and I think there will be to a great extent at the JHA Council on
Thursday. We spent a lot of time on Libya yesterday, including a teleconference with Mr Sarraj, the head of the new Libyan Government. There was real determination, right around the table in Luxembourg, that we needed to do everything we could to help this very new, fragile Libyan Administration, which is the best hope Libya now has of moving forward, to assert its governance in Tripoli and in the country. I do not know whether the Foreign Secretary’s Statement has been repeated in the House of Lords yet, but Ministers agreed yesterday that we would consider further work, potentially also including a civilian CSDP mission to help the Libyan authorities, including on border controls, and that we would consider giving support to the Libyan coastguard to strengthen its capacity to try to interdict smuggling operations off the Libyan coast. We are very alive to the fact that because of the crisis in the Aegean, we must not neglect the central Mediterranean. Seasonality is a key element here. The winter weather deterred even the smugglers from trying to take too many people across that route, but there are already reports. The Committee is aware of the appalling tragedy of recent days. That requires further attention and action. Ed, did you want to add anything on Libya, before I come to Lord Davies?

Edward Hobart: We are not going to see a complete displacement. The route just cannot bear the number of people who came through Greece last year. There are different demographic groups, although a year ago Syrians made up a fairly considerable number of those crossing from Libya. There may be some Syrian displacement, but we are not going to see the 800,000 who arrived across Greece being replaced in the central Med.

Mr Lidington: It is the historic pattern of people from Africa who often used to find work in Libya. In the current circumstances, they are going on and the smugglers are taking them across the Mediterranean or seeking to do so.

Edward Hobart: It is a seasonal increase. There has been a bit more in the last two weeks than a year ago. At the moment there is no trend that suggests that it is going to increase a huge amount on last year, but it might.

Mr Lidington: To Lord Davies’s question, I give the categorical response that no Government can ever pledge 100% security. We know that from the history of British nationals who have been complicit in the most appalling terrorist outrages. I am in no doubt that our membership of the EU and our leadership on some of this counterterrorist agenda makes us more secure and safer than we would be outside. At the very minimum, leaving the EU would place a question mark over our future participation in some of those information-sharing and other co-operative measures, such as the European arrest warrant and European investigation order,
which we have spoken about this afternoon and which the Committee has reported on in the past.

There is no guarantee that a bilateral agreement between the United Kingdom and the European Union, in the event of our departure, would give us the same first-class access to all categories of information that EU member states get. I was very struck in the debate, which we had more than a year ago now, on the opt-in to a number of pre-Lisbon JHA measures, at how trenchant both the current and former police and Serious Crime Agency chiefs were in their argument that participation in these measures was absolutely vital in combating terrorism and other forms of organised crime.

On the migration question, I would simply say that a British departure from the EU would not make one bit of deterrent difference to anybody trying to cross into Europe. Not one person will be deterred from trying to get into Greece or going to Calais. What it will actually do is make it more difficult to get the sort of co-operative European response, which is the only way in which we can get a grip on this challenge. The UN High Commissioner was very clear yesterday that this pressure on Europe and other developed, wealthy parts of the world is going to continue. Look at the demographics in Africa or in parts of the Middle East. It is not just political instability and climate change. You can see the motivations. The professionalism of people traffickers and the availability of smartphones are not going to go away. This cannot be managed by Germany alone, France alone or the UK alone, but effective co-operation by states working together and then working with our neighbours, such as Turkey, gives us the best chance of managing this in a way that people will find effective.

**Q6 Lord Tugendhat:** The President of the European Council has said that the agreement that has been signed is just one pillar of the European Union’s comprehensive strategy. This leads me to ask what other plans were discussed to reinforce the Union’s response to the refugee crisis. Can you envisage other similar agreements with other neighbouring countries? I must confess that the country I have most in mind is Libya.

**Mr Lidington:** I will respond to that last point immediately. I know Lord Tugendhat would understand that at the moment it is not possible to have that sort of returns and readmissions arrangement with Libya. That might be further down the line, but the immediate priority with Libya is actually to support efforts to restore effective governance to that country.

The easiest thing for me to do is to provide the headline elements of the strategy that the European Council committed itself to. First of all, the jargon is “working upstream”: that is, working in the countries of origin of migrants to try to enable them to create livelihoods and
to have some hope of a decent future without the need to get out. At EU level, that is about using both development instruments and trade access to try to give greater hopes of prosperity to people in those parts of the world, particularly in Africa.

The second headline, which is related to my first point, is taking forward the outcomes and commitments of the Valletta summit between European and African leaders to reduce irregular migration from Africa to Europe. There was a high-level grand bargain there that, in return for European commitments on financial support and development aid, the African countries would step up their work in reducing irregular migration.

The third is progressing the NATO operation in the Aegean. The fourth is tackling people smuggling and human trafficking, which involves action by police and intelligence agencies within Europe, working with counterparts in countries such as Turkey and trying to disrupt smuggling activities in Africa. The fifth is securing the EU’s external borders, which is primarily a matter for the Schengen countries. Although we are not going to join Schengen, we are very willing to deploy some of our expertise to try to strengthen the capacity of some of those external border states, because it is in our interests that they are able to exercise control of their borders.

The sixth is resettling the most vulnerable Syrians from camps in the region. Under the UK resettlement scheme which the Prime Minister announced, we have now taken on and resettled something like 1,900 people so far. We have not just dumped them but placed them with the right packages of healthcare, psychological support sometimes, education and others.

The seventh is providing humanitarian support for those in need. I have spoken a bit about that already.

The final headline is working internationally to try to bring about political stability and peace in those two countries on which we are particularly focused, namely Syria and Libya. The situations in the two states are different, but what they each have in common is a threat from Daesh. We need to work to strengthen this new Libyan Administration and to continue the very difficult international work to bring an end to the horrific war in Syria so that the task of rebuilding that country can begin.

**Lord Tugendhat:** Can I just follow up? I agree with all the things you have said, but can I put this to you? When you look at the eastern Mediterranean, we are confronted with a lot of people who are victims, one way or another, of conflict and persecution, and others have hitched on to them, but the driver was people who were victims of conflict and persecution. In the central Mediterranean, there certainly are people who are victims of conflict and
persecution, but the driver is in fact the quite simple business of people who live in poor and ill-governed countries wanting to move to richer and better-governed countries. This is a worldwide phenomenon, as Mr Trump draws attention to in his election. It is a worldwide problem. None of the things you mention is going to make much difference to some of the countries that are sending migrants. Nigeria is a rich country. Parts of it are certainly very badly governed and parts of it have terrible things happening in them, but Nigeria is basically a well-to-do country in Africa. Côte d’Ivoire is not so bad, but neither of them is as nice as Europe. That is why a lot of people want to move. Desirable as all your propositions are, and they should be acted on, they are not going to make much difference to people coming from some of the countries that take the central route.

Mr Lidington: One has to look at these African countries individually, because the circumstances are going to be different one from the other. There are some—I am thinking of Somalia, Mali and the Central African Republic—where the EU has deployed CSDP missions. Actually getting order and governance of a sort is the precondition for any kind of economic recovery. You are not going to get inward investment or be able to have a stable trade pattern. You are going to struggle with development aid, rather than just humanitarian aid, if there is not at least a measure of peace and governance in those countries. There are others—Nigeria was a good point—where the picture is patchy. Clearly what we cannot do is go in and take over a country in the old colonial fashion. We have to work with sovereign independent Governments.

As we follow through on the Valletta commitments, the offer that the EU is able to make, working with the international NGOs, is of economic development help and help in trade access. That is not always popular with some of our European partners, but actually there is something of a quid pro quo there: if we want to make people feel better about staying in their home countries, we need to make it easier for them to sell what they produce to us, which a country like Kenya has been very successful at doing. Edward, you can chip in a bit.

Edward Hobart: The development opportunities in the source countries are very important in creating an opportunity and helping the African Union and others to develop internal south-south migration. This has happened quite a lot in west Africa with ECOWAS. DfID is spending £450 million this year on programmes that relate one way or the other to migration in sub-Saharan Africa. It is also supporting countries that are under threat from crises; climate change and El Niño this year can be a driver of migration, even to the next-door country, but once you have started moving, you often keep moving. Then you need to support the host
and transit countries—Uganda; Kenya; Sudan, which is both; and Ethiopia—in supporting and providing an opportunity for the refugees or the displaced people living there, just as we are doing in Turkey, Jordan and Lebanon. We are dealing with protracted crises, which is a big theme that we are going to push through this year for the World Humanitarian Summit and the two refugee convention summits in September in New York.

We then have to improve border management. I will give you an example of where a UK, Italian and EU-funded programme in Agadez in Niger, through information campaigns and working with the International Organization for Migration, has in the last year returned 8,000 people who had got as far as Agadez and thought, “I don’t want to be here. This is not what I want to do. I want to be back home”. How can we intercept at different borders and tackle the smugglers as well? We just approved a £5 million programme in Senegal, Mali and Niger to strengthen some of their law enforcement and border management, for example, which works with the IOM to return people.

Finally, we also have to work on our own borders. You mentioned Nigeria and that the Nigerians are the largest group to have crossed the central Med this year. About 19% are Nigerians. Almost none of the people in Calais or northern French ports are Nigerians. Nigerians do not cross to Italy and come to the UK. There are Nigerian asylum seekers in the UK, but they have almost all flown in and then they are returned when they are discovered. That is why Nigerians who cross to Italy do not end up going to Calais and trying to get to the UK: because they know that Nigerians, for the reasons you set out, are not granted asylum and can be returned. We have to manage our borders better, which means helping the Italians and the Greeks and having asylum processes that protect those who need protecting, but breaking the link, as the Prime Minister said, between arriving in Europe and staying in Europe. All the way through, from the source country to Europe and ourselves, we need to work on this, and I think we are.

The Chairman: Thank you, Minister and colleagues, for widening our perspectives on that. If you will forgive us, we will move on to other subjects. I would like to begin with what you might call the specific diplomatic issue of relations between the EU and Turkey.

Q7 Baroness Falkner of Margravine: Minister, you have spoken a lot about how it is in the UK’s interest to co-operate with Turkey. I note that in your letter to the Lord Chairman you have said that opening negotiations on Chapters 17 and 33 was consistent with the UK’s support for Turkey’s EU accession process. Given the regression in Turkey’s political climate over the last five years, do you think it is still sensible for the Foreign Office to be the
cheerleader for Turkish access to the EU? Moreover, given that both these chapters are economic and financial affairs chapters, one potentially leading to Eurozone membership for Turkey, do you think it would be sensible for the eurozone to swallow an entity the size of Turkey, with its inherent corruption, political regression, non-democracy, non-accountability, non-legitimacy and so on? While we are outside the eurozone, is it entirely sensible for us to be the cheerleaders for them to make that kind of mistake?

The Chairman: Before you answer, Minister, can I stitch in Baroness Suttie’s question? Then we will come to the separate issue that Baroness Falkner has identified.

Q8 Baroness Suttie: This has largely been covered by Baroness Falkner’s question, but I would add to that the issue of the freedom of the press, not least in the takeover of Zaman recently. Do you really think that this is the right and appropriate time for us to be re-energising accession talks for Turkey?

Mr Lidington: I think that the decision to open Chapter 33 during the Dutch presidency was a sensible, practical step, and in effect it is about financial management, how one manages a budget, financial capacity. Yes, we do remain supporters of Turkey’s EU accession process. The Government continue to believe that entrenching Turkey in a Europe-Atlantic alignment is in our strategic national interest, but equally that there should be no relaxation of conditionality. The accession process for every potential new member state is demanding. There is no arbitrary timetable and there is a unanimity lock, a national vehicle that every member state has at every stage of negotiating a new accession. I do not think that Turkey reaching the stage of being ready for membership is a realistic prospect for many years.

Can I just come to the 23/24 human rights stuff, unless Baroness Falkner wants to come back at me first? I do want to answer that point.

Baroness Falkner of Margravine: Very briefly on this point, is it not extraordinary that the Prime Minister says one day that Turkey is not going to come into the EU for a very, very long time, and on the other hand that our strategy is to bring Turkey in? Does it not seem to you odd that you want to expand the EU to the point where the borders of the EU would be Jordan, Syria, and Iraq, a country that has the most volatile parts of the Middle East as its borders? We say that that is our strategy and that we are not going to change that strategy.

Mr Lidington: We took the decision many years ago that that is where NATO’s borders should and do lie. One could argue that the potential risks in that are very great.

On the human rights point, in technical terms Chapters 23 and 24 are blocked by Cyprus at the moment. Unless and until there is a final settlement to the Cyprus dispute, there is not
going to be progress on a whole range of chapters, as far as Turkey is concerned. The prospect of Turkey being able and ready to join in the foreseeable future is not there, but the accession process provides the best means available to us, both for securing greater openness in the Turkish economy, which presents us with huge economic opportunities on our doorstep, as this is like a BRIC living next to the European Union, and for securing improvements in human rights, the rule of law, media freedom and respect for religious minorities that we all want to see.

My personal view is that I would like to get Chapter 23 on human rights open. It would take a long period of thorough reform by the Turks for them to meet the very demanding standards in Chapter 23, but that would provide the mechanism that would enable us to talk to them and persuade them to commit themselves to specific measures that would lead to their alignment with our own approaches to those subjects. I have made it clear when I have talked to Turkish Ministers that for those of us in Britain or other European countries who consider ourselves friends of Turkey, life is made much more difficult when things such as limits on press freedom are being implemented by Turkey. The Prime Minister raised these concerns with Prime Minister Davutoğlu, both at the EU-Turkish summit of 7 March and at the March European Council. The March European Council reiterated that it expects Turkey to respect the highest standards when it comes to democracy, the rule of law and respect of fundamental freedoms. The Foreign Secretary has recently met Foreign Minister Çavuşoğlu. At the same gathering, I had a long discussion with Deputy Prime Minister Şimşek, and both the Foreign Secretary and I reiterated these points at some length to our Turkish counterparts. Before we could envisage Turkey in the EU, we would have to see a Turkey that had undergone very substantial reform on the rule of law and free speech, as well as socioeconomic convergence with EU standards.

The Chairman: Do you want to come back on that point, Baroness Falkner? I think you also have a question on Russia, which Turkey is a neighbour of.

Baroness Falkner of Margravine: Moving seamlessly from one authoritarian regime to another, do you think there is any appetite, either in the EU or in your Government, given that you are Minister for Russia, for a Magnitsky law?

Mr Lidington: No. We considered this very carefully when the House of Commons debated this a couple of years ago. The Home Secretary already has the power to exclude from the United Kingdom anyone whose presence would not be conducive to the public good. Those powers are exercised. We have also said publicly that people against whom there is good,
verifiable evidence of complicity in human rights abuses should not normally be expected to be granted admission to this country. That gives us the safeguards. We have always adopted an approach in this country whereby we look at a visa or entry clearance application on the merits of the individual case at the time of the application, not in relation to some hypothetical application in the future. That is partly because we think it is a sensible way to proceed and partly because we have a system under which the courts are prepared to countenance a judicial review of any executive decision by a Minister or a civil servant, and that therefore a decision to refuse any individual visa or entry clearance application is potentially susceptible to judicial review and needs to be defended on the grounds of evidence available to the decision-taker at that time. We think it is both politically right and legally sensible to operate the system in the way that we do.

The Chairman: Thank you. After those exchanges, which have been broadly on the area of diplomacy and international relations, we would like to focus on a series of economic questions about the operations of the European Union. We will go straight on to a question by Lord Caithness.

Q9 Earl of Caithness: Minister, it is a big change of subject, but you discussed it in March under the heading of jobs, growth and competitiveness, and the European Council endorsed the priority areas of the Annual Growth Survey. One of the major criticisms of the Annual Growth Survey is that there is precious little enforcement in the right areas. In your reply to question 1, you said that implementation was the key. Was there any discussion about stronger implementation of the Annual Growth Survey, and, if there was not, why was one bothering to introduce new rules when you do not enforce the existing ones?

Mr Lidington: The questions of implementation are slightly different for the United Kingdom than for most other member states, because our protocol means that we are explicitly exempt from any kinds of sanctions or coercive measures under the Stability and Growth Pact.

The Chairman: There is a Division in the Commons, Minister.

Mr Lidington: Thank you. If I could complete my answer to Lord Caithness, vote and return, it might be helpful for the Committee. It is ultimately for each member state Government who are accountable to their electorate to deliver. The purpose of the Semester, the national reform programmes and the AGS is to exert peer group pressure in public. There is a published set of benchmarks and recommendations for countries. I was very pleased when I saw that the United Kingdom was regarded as not having any macroeconomic imbalances, but there are some serious questions that we see in the discussions within the eurozone about
the extent to which a Government with a democratic mandate should be compelled by others to follow a particular economic policy.

A debate is still going on in the euro area on the extent to which these rules should be binding. Someone like Minister Schäuble in Germany would argue very passionately that they should be legally binding. Other Governments in the eurozone countries would have a different perspective on that. This treads on the very sensitive border between a common interest in structural reform and greater competitiveness, and democratic accountability to a national electorate. My instinct is that the peer group pressure—if you like, the nudge principle on a European level—is perhaps a more effective way in which to go about it.

The Chairman: We will allow you to nudge downstairs and do your democratic duty. I hope members of the gallery will not mind if I clear you briefly so that we can conclude some private business while this is taking place. That would be much appreciated, thank you.

The Committee suspended for a Division in the House.

On resuming—

The Chairman: I think we have probably said all we can at the moment about jobs and growth.

Q10 Earl of Caithness: Minister, following your reply, was there any evidence that there was enthusiasm for further reforms from the AGS and that the Semester would be tightened so that peer pressure, which you think might be the right answer, could be more effective?

Mr Lidington: There has been some discussion on some of the process around the Semester. Previously, there had been no opportunities for parliaments to spend time discussing this at national level, so the Committee is trying to time things so that there is an interval between publication and the European Council considering matters, but not a huge amount of time was spent on this around the table. It was very largely a matter about the conclusions. Richard, do you want to say anything further on this?

Richard Wood: There was a bit of discussion on the implementation and how the European Semester process has not really focused on that. A number of member states said that they would like to begin to start thinking how the European Semester could incorporate a focus on implementation. The notion that it needs to look not just at the country’s specific recommendations but at how countries can begin to apply those structurally is starting to gain some traction. That is beginning, but, as the Minister said, there was not a great deal of time for discussion about that.
The Chairman: That morphs quite nicely into the next line of questioning, which is about the single market, and the digital single market specifically.

Q11 Baroness Wilcox: Thank you very much, Minister. As you know, at its meeting in June, the European Council agreed to adopt an implementation agenda for the digital single market strategy. Based on the discussion in March, do you see this as primarily a formality, or are the member states actually advocating any significant changes in approach?

Mr Lidington: No changes have been advocated to the overall approach that was set out by the single market strategy and then the digital single market strategy. I would say that this was a little more than a formality. Actually having this commitment reiterated in the conclusions of the summit was a very important signal about the continuing commitment of every member state Government and the President of the European Commission, because of course he is a full member of the European Council, to the completion of the digital single market. That is something that we very much welcome. The idea is that the next European Council in June this year will agree an agenda for the implementation of the digital single market and adopt an agenda to bring together the different proposals that are necessary for completion.

Baroness Wilcox: The services passport has the potential to address long-standing UK concerns about the poor implementation of the services directive. Some member states have expressed reservations about the scope. What are the main points of contention? Could you get that through before you vote?

The Chairman: There is another Division, Minister. Can you come back quickly?

Mr Lidington: We are very strong supporters of the services passport. Services represent 80% of the UK’s economy. Services are where the new jobs and growth are going to come from in every single European country. The hesitation that a number of member states have about the services passport are, in my view, essentially protectionist in their character. They are expressed as a defence of important and historic national quality standards, but actually I think it is about resisting competition.

Baroness Wilcox: Is this to be a long fight before you even get it off the ground?

Mr Lidington: We have had movement on this. In the February European Council conclusions, as part of the overall agreement which the Prime Minister secured, we got a very clear commitment to the liberalisation of services and the completion of the single market in services, with everybody signing up to that as a binding commitment. On this issue, we also have the Commission as a very firm ally, which is also welcome. Richard, do you want to add anything before I sprint?
Lord Liddle: We want an example of protectionist resistance.

Richard Wood: Freedom of establishment is an example, as is mutual recognition of qualifications. Some of these things are used as examples of why a full services passport could not be implemented. If we take these things one at a time, we are making progress on them individually, which will contribute to completing the free market in services.

Mr Lidington: We are not going for the big bang. We are trying to take this step by step. Elżbieta Bieńkowska, who is the Commissioner leading on single market matters, is very much pushing that strategy.

The Chairman: We will let you go and vote, Minister. I do not think it is necessary to clear the gallery, but colleagues will be aware that the mics are on. We will recess for five minutes or thereabouts until the Minister is ready.

The Committee suspended for a Division in the House.

On resuming—

The Chairman: We are back in our public session and hope not to have it troubled further. Lord Green is just returning and I know he had a follow-up question on the single market strategy. Would you like to put that straight away?

Q12 Lord Green of Hurstpierpoint: This is in follow-up to the earlier discussion. Will the services passport be comprehensive enough in practice to deal with what is generally a German objection to the opening up of the services sector, on the grounds of the quality controls embedded into their apprenticeship and qualifications system? It is an extremely hard mountain to move. Mutual Recognition of Professional Qualifications gets us some of the way, but there is still a whole series of sectors where they have not budged. Do you sense a degree of change in the German approach to this?

Mr Lidington: You need to ask the question of which German politician we are talking about. The views will vary depending on which political party, which end of the spectrum and what the particular regional economic interests are of the person of whom you are talking. I think that there is a recognition at senior levels, in Germany and in other member states, that developed economies are moving towards high-value manufacturing and services as the engines of growth, and that the way in which supply chains now operate means that often, purchasers are wanting to buy a package that includes both a manufacturing component and the services that go with that. Being able to trade with those packages, within Europe and internationally, is a very important element in the global economy. I do not think that the
services passport will be sufficient in its own right, which is why we are pursuing a sectoral approach within services as well. We push for things like construction service liberalisation, business professional services, because we think there are some attractive low-hanging fruit there that would bring benefits to a very wide range of member states. That is why we welcome the Commission coming forward with those. Richard, do you have anything to add? **Richard Wood**: I would say that that space for objecting to some of these issues is now narrowing. The Commission is closing in, strongly backed by the UK and other like-minded member states, on treating the four freedoms completely equally. Services have been ignored for long enough. The Commission’s consecutive iterations of the Single Market Strategy and updates to that make it increasingly clear. Politicians from countries that have traditionally stood back from services liberalisation have now had to sign up to commitments that we are going to get there; services passports are coming. As you say, there is still quite a fight to make sure that it is sufficient to do the job that we are looking for but, backed up by some of the other legislation the Minister mentioned and the digital single market, which will offer services online, that kind of protectionist reliance on national qualifications, for example, will look increasingly anachronistic. It will take some time, but the space is narrowing for those kinds of protections.

**Mr Lidington**: Every time you have a European Council—which, under the treaties, is empowered to set the strategic direction for the whole of the Union—making a statement of this kind provides a further point of reference for the agenda.

**The Chairman**: We do not want to conduct a seminar on this, but presumably it may also be that a number of member states that would be more recalcitrant for one reason or another may find themselves with a sector that has a direct interest in expanding its opportunities as well. We may be exceptionally rich in services in this country, but there will be others that will want to market their services in particular sectors where they have a natural or comparative advantage. You are nodding to that.

**Richard Wood**: That is the case, yes.

**The Chairman**: We will move on to talk about something that you will not be surprised about and that does interest members of our Committee and more generally. That is the European steel sector. I am going to ask Baroness Armstrong to lead and Lord Trees to follow up on that.

**Baroness Armstrong of Hill Top**: Can we do it the other way around?

**The Chairman**: Indeed, we can, whichever is easier. Lord Trees.
Q13 Lord Trees: Thank you, Lord Chairman. Good afternoon, Minister. I grew up in Scunthorpe and used to work in the steelworks as a student. My dad’s family were from Teesside and my mother’s from Motherwell and Wishaw, so I have a strong personal interest in this subject but, I hasten to add, no professional declarations of interest. We believe, Minister, that France and Germany are keen to increase tariffs on the importation of Chinese steel into the EU, but that the UK is blocking that. Can you confirm if that is the case? In the light of Tata’s desire to sell their UK steel operations, how can you justify the UK Government’s stance on tariffs? What other actions are you proposing and advocating to protect particularly the British steel industry, but the European industry in general as well?

Mr Lidington: The key questions are over which types of steel we are talking about. It is not true that the United Kingdom has sought to block or hold back all steel tariffs. The contrary is true in respect of rebar steel, for example, where the industry demanded higher tariffs. We were actually in the front rank in Europe in saying to the Commission that we need to get on and do this. Where we have been sceptical is over some of the calls to scrap the lesser duty rule, the LDR, because of the consequences that we fear such a step would have for other sectors of manufacturing industry. If we look, for example, not just at rebar but at organic coated steel, EU duties were imposed in 2013 and Chinese imports into the UK fell 90% as a consequence. For stainless steel flat products, again, duties were introduced against imports that respected the lesser duty rule, and Chinese imports again fell 90%. We have seen a similar trend when it comes to rebar sanctions. The tariffs were only imposed in January this year, but in January 2016 imports of rebar steel were down 99% on January 2015. It does have an effect.

Looking at LDR, the picture is more complicated because one has to judge two things. First, to look at steel with the LDR, as with any decision about whether we support tariffs on a particular type of steel import, we have to consider both the degree of protection that it would offer to our own steel industry, but also the consequences for British businesses that consume steel, sectors like the automotive industry. We also have to bear in mind, when considering the lesser duty rule, that the way it is written at EU level gives it a horizontal impact across all sectors, going way beyond steel. This is a rule that applies to how the EU does trade policy. There are other sectors of UK industry, such as the footwear and solar industries, which rely a great deal on imports and could be in some very serious difficulties indeed if LDR were scrapped.
I have some briefing about other measures on steel. The Secretary of State for Business has made a number of statements about that that have been repeated in the House of Lords. I am happy to explore those further, if we have time.

The Chairman: Perhaps that would be useful, but I am going to ask Baroness Armstrong to come in with her question.

Q14 Baroness Armstrong of Hill Top: I was going to say that your answer has terrified me. I come from the north-east. I became Member of Parliament for the constituency that included Consett after the steelworks had closed in the 1980s. We have now lost Redcar. We are still, however, the largest manufacturing region in the country and the only region that has a balance of trade surplus. We have the most successful car factory in the country. We now have what we hope will be the most successful train company. When talking to people about staying in the EU, in my small town they are all saying, “What about the steel industry? The Europeans have let the Chinese run us”, and your answer has not really helped me to deal with that. I am sorry for the rant, but I have to say that it is such an important issue at the moment, and the Government really do not have the sort of grip on it that we need to reassure local people that they will not need to have Chinese steel coming into Sunderland dock for Nissan. What I really want to ask you about is whether you think that the EU should grant China market economy status, and if this would weaken the EU’s ability to tackle distortions of trade that are clearly happening in this area at the moment.

Mr Lidington: Let me come to the market economy status in a second. I would just say in response to Baroness Armstrong, first of all in terms of how this affects the question of in or out of the EU, it is true that more than half our steel exports are to other EU countries. Therefore, actually maintaining single market access to those exports is hugely important.

Baroness Armstrong of Hill Top: They are not made in the north-east anymore.

Mr Lidington: If one is trying to get leverage over economies the size of China, one is more likely to do that in global trade talks in a group of 500 million people with the 28 acting together, than one country, even a large European country, seeking to do that on its own. I do not want to go over arguments that have been debated at some length, in both Houses, in the last month or so, but I would say that the underlying problem here is a collapse in world demand for steel compared to output. We are seeing the consequences of that throughout Europe, not just in the United Kingdom, and for that matter in China and other steel-producing countries as well. If we look at Belgium, Greece, Italy or Spain, we have seen a significant drop in the number of jobs available in the steel industry in the last few years. Since the crash in
2008, there has been a 70,000 drop of the number of workers in steel manufacturing across the EU. That is a measure of the gravity of the crisis, which fundamentally stems from a lack of demand compared to the available supply.

All I would say is that the Government are doing everything we can within legal limits to support the steel industry. We have pressed the EU to take action on unfair dumping of cheap steel imports and, in the types of steel I have been talking about, we have seen a consequent and very significant fall in those imports, without the need to get rid of the LDR, which I would argue is important for the viability of some of our other industries. We have also cut energy costs and taken steps on UK procurement to make steel more competitive. The Secretary of State for Business would be the first to say that more needs to be done, which is why the Government set up the Steel Council to improve cross-government and industry working, and why we are very actively trying to facilitate the commercial sale of Tata Steel UK. That is being supported across Government and the Secretary of State has said that he is not ruling out any option in seeking to bring that to a successful conclusion.

On China’s market economy status, the first thing to make clear is that, whatever that decision is, it will not stop the EU being able to take action on unfair trade practices and imposing anti-dumping measures. Russia has market economy status, for good or ill, and the EU has taken anti-dumping measures against Russia, so those same tools would still be available in respect of China. There would also be no effect on the EU’s ability to tackle Chinese subsidies through anti-subsidy actions. Actually, the Commission is arguing that, if they gained market economy status, it would be easier for the Commission to use trade defence measures.

At the moment, the Commission is carrying out a detailed assessment of the probable impact of granting China market economy status. We welcome the fact that they are going through that assessment, and they have said that, as part of that assessment, they are looking at measures that would mitigate the possible adverse effects of market economy status upon European industry. The other thing we have to bear in mind in this discussion is that, if China is refused market economy status—and I am not prejudging the outcome of the Commission’s assessment and the subsequent discussion by governments—then China has the right to go to the World Trade Organization and seek redress there, if it has a case that WTO rules are being broken in that refusal.

**The Chairman:** At one point, Minister, you indicated that you might be prepared to follow up with an account of any other further actions being taken by your colleagues in this sector.
You will have heard that there is a considerable amount of concern about it and, if you want to do that, we should not pursue it now, but we could do it at a later stage.

*Mr Lidington:* Would it help, Lord Chairman, if I offered to write with some additional information?

*The Chairman:* Immensely. It would be really helpful, thank you. Regarding what might be termed sectoral matters, I have one other area we could pursue tonight and then one final matter to discuss. Baroness Scott, from the perspective of her Committee, has two questions.

**Q15 Baroness Scott of Needham Market:** I have two questions, unrelated except that they both fall within the remit of my Committee. The first is the reference to decisions made at the agriculture council regarding the state of agriculture. In some sectors farmers have taken what is a rational view on an individual basis to increase production as a response to falling prices, but of course, all that is happening now is that there is massive over-production. I wonder if you have a sense of whether or not this is just being viewed as a short-term problem to be dealt with, or whether there is an underlying understanding that European agriculture needs something more long term.

*Mr Lidington:* Our view is that one-off aid packages do not provide a long-term answer. In the Commission, and in a number of, but not just, northern member states, you would find like-minded governments who are with us on this. In some of the member states that still have very large numbers of small farms, there might be resistance to moves towards greater use of market measures for agriculture. I think, because of the nature of agriculture, it will always be necessary for there to be some kind of support regime. The arguments take place every few years about Pillar 1, Pillar 2 and so on. How one does it is a matter for one debate. If you want the environmental outcomes that we get from good land management and farm practice as well, there is a trade-off with taxpayer support.

There are things that we believe the agricultural sector could do to improve its resilience against some of these market fluctuations. They do not necessarily come easily to farmers; I completely understand that. We welcome the fact that we were the first to demand the establishment of this Agricultural Markets Task Force that began work at the beginning of this year. Its job is to come up with some practical legislative and policy proposals by the autumn that will help with risk management. That would include, for example, looking at the possibility of futures markets and farmers being able to use those to hedge their exposure to future movements in commodity prices; measures to enhance farmer-level collaboration, so joint marketing efforts and arrangements to share knowledge between different farm enterprises,
so they can actually learn from what works; and just greater transparency and greater accessibility of information for farmers about what is happening in the marketplace, so that they can plan in good time and make adjustments.

Baroness Scott of Needham Market: My Committee is about to report on all that, so I am hoping that we will make a useful contribution to that debate. On ratification of the Paris Treaty, I am hearing that there is some question about whether or not the EU should delay ratifying until member states have agreed between them how to deal with the emissions reductions targets. I wonder what the situation is, both with regard to what others are saying and your position.

Mr Lidington: The answer is that we think it is sensible that we have agreed how to share out that responsibility before we all sign up. We want everybody in the EU to be signing up at the same time. We are also committed to trying to make this happen as rapidly as possible. The exact timing is dependent on EU procedures and there are parliamentary processes in other member states that have to be respected. In terms of timing, we think it may be possible to ratify perhaps in 2018, depending on parliamentary processes in other member states. We are saying to our partners that we think everybody should begin the domestic ratification process as soon as possible so that we can get on with this quickly. We are looking at 28 democracies. You get elections that interrupt sittings of parliaments; you get other events that take legislative attention away, so we cannot guarantee that 2018 timetable, but that is what we hope we will end up with.

The Chairman: Thank you, Minister. We know you have to vote again. Can you indicate whether you have a few minutes to return?

Mr Lidington: Yes, I am happy to come back.

The Chairman: I am very grateful. We will see you as soon as you decently may; thank you. Again, I am not proposing to clear the gallery.

Sitting suspended for a Division in the House.

On resuming—

Q16 The Chairman: Thank you to the Minister. We do not have all evening and I am sure you do not. I thought it might not be inappropriate to remain with one other question. I am told that there is something going on called a referendum, and you may have heard that our Committee has invited Her Majesty’s Government to articulate an inclusive and positive vision of the UK’s role in a reformed and more flexible European Union. I am not asking you for a Government response to that report tonight. We will hope to have one in due course. May
I perhaps ask two things? It may be that one or two colleagues want to chip in a bit with their own points. One is on this document on the referendum, which has now gone round to households, including mine. Let us put it this way. It seems to me that it does not show a great deal of evidence for a positive and inclusive case for EU membership. It deals with a number of issues that are clearly of political concern. I just wonder if you would try to speak to what might be termed the “forward gear” of that argument and show us, or invite us to consider, how much of a positive vision there is in that.

The second question is a bit more nuts and bolts, from my point of view. We notice that there is a new Cabinet committee on the EU referendum. I just wonder if you can fill us in on two questions. One is what its rationale is and secondly, why you are not a member.

Mr Lidington: Let me deal with the last question first, if I may. The Prime Minister took the decision that membership should be at Cabinet level. It brings together those Cabinet ministers who have the most direct interest in the issues that were the subject of the negotiation in February and in the strategic direction of European policy. It does not include any of the Ministers who dissent from the Government’s position on the referendum but, given the remit of that committee, that is not a surprise to anybody and it should not come as a shock.

On the question about articulating an inclusive and positive vision, the leaflet was drafted and the decision to publish such a leaflet was taken after opinion research showed that the overwhelming majority of the electorate—and we were looking at 85% of the electorate—were saying in independent research that we commissioned that they did not think they knew enough. People were asking questions and were particularly concerned about bread and butter issues. That was scientific opinion and research. The company concerned, TNS, has published and described its methodology on its website.

It is backed up by my own anecdotal experience, not just from talking to my own constituents but from conversations that I have had with colleagues in the House of Commons from different political parties and on both sides of the referendum debate. We are tending to find very large numbers of people who say that they are inclined to vote one way or the other, but they feel that they are insufficiently informed and want information presented in a readily accessible fashion. I could turn myself blue in the face saying, “Go on to the gov.uk web page and read White Papers on this and that”, but most people will not do that, any more than they read general election manifestos of political parties. They want the information in a more
digestible form. That is what the leaflet was designed to do. We have published, again online on gov.uk, the footnotes to that article.

The Chairman: It is all referenced.

Mr Lidington: Every statement in there is referenced and the references are public, so people can test the statements we have made.

I agree that we need to articulate the inclusive and positive vision. The Prime Minister in particular has been doing this, in explaining that people would be better off, more secure and the UK would be stronger in a reformed European Union. In my small way, I tried to do a little bit of this in a speech I made last week to a Financial Times conference on Europe here in London. If the Committee are finding it difficult to sleep at night, I am happy to provide a copy for them to look at. We are trying to do that but, at the same time, it is perfectly right that we describe the risks that would be involved in leaving and the downside of the alternative models of relationship with the European Union that are available. In response to demands in the House of Lords during the passage of the EU Referendum Bill, we published a document that explained what these alternatives were and sought to describe, in fairly dispassionate language, what would flow from that in terms of what we would have and what we would lose.

Q17 Lord Borwick: You said that 85% percent of people reckon that they do not know enough about it. Having spent £9 million, what do you think the figure is now?

Mr Lidington: I would not like to guess. The anecdotal feedback is that a lot of people have been reading it. There are some people who had made their minds up very firmly already who were not going to be persuaded at all. I have sufficient confidence in the British public to think that people who are sufficiently interested to want to cast a vote, and know that this is an important decision that will matter for the next generation, will read it and take it into account. I cannot ask them for more than that.

The Chairman: Thank you, Minister. I was very tempted after those exchanges to acknowledge your patience and readiness to come back to the Committee on a number of occasions after interruptions, and your ability to pick up the threads, articulate those and present them to us in such a forceful way. If I may say, it is always appreciated when you both bring and use officials to supplement, because it is helpful to us. The second thing I was very tempted to say was that we could perhaps have saved a little bit of money by saying, “If you don’t understand this, go and meet the Minister of State and he will tell you what it is about”. We have been very lucky to have your attention and your experience. It has been helpful to us.
One area that we need to record that we did have an interest in and signalled to your officials, but time has beaten us, was the issue of VAT. In particular, given its political sensitivity as well as its generic economic sensitivity, there is the question of VAT on sanitary products. Perhaps you could explain where the Council is intending to get to on that and what is likely to happen. Those are areas that concern people and, as you will understand yourself, give rise to political consequences when people are thinking about their referendum choices. That is the area that we did not get into, but, despite the interruptions, you have done manfully in going through all this.

Mr Lidington: Would you like me to write about the VAT issue?

The Chairman: I very much would, thank you, and on any supplementary material on the steel industry, or anything else that occurs to you. As you know, we have a recording and will make sure the transcript is available to you. It would be most remiss if we did not just record our thanks to you for your contribution and those of your colleagues, and wish you well in all that happens next.

Mr Lidington: Thank you very much, Lord Chairman.

The Chairman: We will look forward to seeing you when the British people have made their decision. Thank you.