



HOUSE OF LORDS

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Inquiry on

VISIONS OF EU REFORM

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Questions 126 - 133

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11 am

Witnesses: Mr Ashley Fox MEP, Ms Glenis Willmott MEP and Ms Catherine Bearder MEP

Members present

Lord Boswell of Aynho (Chairman)
Lord Davies of Stamford
Lord Green of Hurstpierpoint
Lord Jay of Ewelme
Lord Liddle
Baroness Scott of Needham Market

Examination of Witnesses

Mr Ashley Fox MEP, European Conservatives and Reformists Group, European Parliament, **Ms Glenis Willmott MEP**, Socialists and Democrats Group, European Parliament, and **Ms Catherine Bearder MEP**, Group of the Alliance of Liberals and Democrats for Europe, European Parliament

Q126 The Chairman: Good morning, Lords, ladies and gentlemen. I was going to say welcome to our colleagues from the European Parliament but actually they are our hosts and we are very grateful for the opportunity to come here.

I take the slightly flat-footed view that if you do not go and talk to people, you may not know what they are thinking about and you may not learn anything. Certainly, from past experience, it has been very fruitful to come and talk to colleagues here and to get what might be termed—and I hope this will be treated in the spirit in which it is offered—a detached British perspective of what is going on in Westminster.

I think that the three of you—that is, Ashley Fox for the ECR group, Glenis Willmott for the Socialists and Democrats, and Catherine Bearder for the ALDE group—will be known either individually or collectively to colleagues on this side of the Select Committee. Equally, you will know the terms of engagement, which are that this is a public evidence session and that we will prepare and, if necessary or if appropriate, draw for our report on the full transcript. I hope that we can keep it reasonably informal and free-flowing, and colleagues will divvy in with their questions and, if necessary, participate equally. It is not absolutely necessary for everyone to answer every question. We will take it as informally as we can. For the record, I think that you are available until midday at least, and we then have another meeting with some think tank people.

I want to say one other word. We were over here, and indeed may have met some of you, in July, when we were looking very much at the process of the UK negotiations and the reform process. We continue to take an interest in that, although we reported on it at the time in some

haste. We are calling this inquiry “Visions of EU Reform” and we are also now looking at the extent to which there is a common understanding—maybe across the countries and maybe across the political groups or various interests—of what it means to reform the European Union, how much it is a British issue and how much a European issue, and how they overlap and interlock. We would like to approach it like that. At this stage of events, it would be quite easy just to seek to have a political exchange on what is going to happen at the February Council, but do not feel that you cannot comment on that. Equally, it is not our sole objective. I think we will start. This question is to all three of you, with your background in the groups. We called our inquiry “Visions of EU Reform”. Do you feel that the British Government have produced a clear and coherent vision of EU reform? Just to gloss that, I mean, first, in relation to the reform of UK interests vis-à-vis the European Union and, secondly and perhaps more widely, in terms of reform of the EU process itself. I do not know who would like to start on that.

Glenis Willmott MEP: First, reform is not an event but an ongoing process. It happens all the time now. Lots of reforms have been taking place—for example, around issues with the USA. So reform is happening constantly here in this Parliament. I think that there is a thread to some of the things that the British Government are trying to do. For many years both Labour and Conservative Governments talked about making the EU work more efficiently and helping European markets to work more effectively. But, to be honest, for me the whole referendum and renegotiation process is more about managing domestic political concerns rather than UK interests. I see this as being about Tory division on Europe rather than about a vision of EU reform. I do not really think that it is an issue of EU reform. There is a lot missing from it. I think that we should have talked about the environment, fighting crime, social protection and working rights. There was a lot more that we could have looked at in terms of reforms. So I am not quite sure what the vision for reform is. I think that reform is something that happens continuously. What happens when we have this event and we decide that we want more reforms? Do we then say that we are going to do this again? This has to be something that we talk about continually with colleagues, building alliances to make sure that reforms happen constantly.

The Chairman: Coming back quickly, do you think that your colleagues from other member states—not necessarily from your group but maybe—share the same sort of analysis of the British proposals? Is this seen as relief for the Prime Minister and his Government?

Glenis Willmott MEP: Yes, absolutely.

The Chairman: In your opinion, it is not seen as a major play into the European reform process.

Glenis Willmott MEP: I think there are elements that everybody would agree with. Obviously everybody wants to see Europe being more competitive. So there are elements in some of the baskets that the Prime Minister has asked for that people would agree with. There are things that need to be done and looked at but, in the main, the majority of people in the Parliament see this more as something that the Prime Minister is using to manage his own party back home. That is how it is seen not quite but more or less across the board.

Ashley Fox MEP: It will not surprise you to learn that I disagree with a lot of what Glenis has said. I think that the Prime Minister is addressing very real concerns that exist among the British people. When the Prime Minister talks about consent for our membership of the European Union being wafer thin, I think he is absolutely right. There is widespread concern about the European Union. The Prime Minister has outlined four baskets that he is trying to change: sovereignty, the way that the eurozone functions, competitiveness and migration. If you look at the concerns of the British people, the Prime Minister is trying to address those deeply held concerns and to get the best deal that he can. We will then ask the British people whether they want to remain or leave, and we will implement their decision, whatever it is. So I think that there is a very clear and coherent vision for EU reform. The Prime Minister has made no secret that his preference is to stay in a reformed EU, but he will be able to win that referendum only if he addresses genuine concerns held by the British people.

Q127 The Chairman: Thank you. Can I just ask you to unpack a little more what you might call the issues, be they competitiveness, economic governance or migration, which we would probably agree tends to be the most politically salient, and the underlying issues of sovereignty and control? Would your analysis be that the British people are more worried about the control of the process—in shorthand, “Brussels”—than they are about the details of particular policies? Is it important that he is seen to reverse that process of what may be seen as a progressive loss of control? Is that the sort of thing that bugs them in your view?

Ashley Fox MEP: I think that that is important. The reference to ever closer political union is symbolic, but that is also important from the point of view of the Court of Justice, because it repeatedly refers to this desire for ever closer political union and it uses it as a justification for more Europe, whereas in fact I want less Europe. When we come to the referendum, the most important issue for the British people will be migration. I would make it quite clear that we would not be touching the principle of freedom of movement of labour, but the way that our tax credit and benefit system operates contributes to the draw of the United Kingdom for

migrants from the rest of Europe. Therefore, if we address that, we will reduce the relative attractiveness of the United Kingdom for migrants, particularly from eastern Europe, and I think that that will go some way to solving that problem in the eyes of the British people.

Catherine Bearder MEP: Thank you for inviting me to speak here. Just to confuse you further, I am going to agree with both of them. As Glenis said, reform happens continually. The biggest reform that we had in recent years was the Lisbon treaty, which made a fundamental change in the way the Parliament works and the relationship between the Council, the Parliament and the Commission. Ashley said that this is about having something to sell at home. That is entirely what this is all about. It is not about reforming the EU per se, it is about coming back with some sort of deal that he can sell and say, "I have done something in the European Union". That is confusing for people here, as every day we are continually informing, honing and, hopefully, improving what we do and how we do it.

There are four baskets that we are already working on. REFIT is looking at the red tape; a new Commissioner has come in with that programme. Banking reforms and looking at the relationship between the euro and non-euro countries and how we set up the management of the euro was begun in the previous Parliament but continues in this one. Commissioner Thyssen is already working on a package on internal movements and how we address some of the issues of revising them. As any department of the Commission should be doing, it is constantly looking at how things are working and trying to improve them.

One issue that is not being addressed structurally is ever closer union, which is a phrase suggested by the Brits when we first went in. It is an ever closer union of peoples, not of Governments, countries or institutions. That is exactly what being together in a vibrant and functioning union does, because we are exchanging culturally and scientifically. All the collaborative work that goes on demonstrates that we are becoming closer as people of Europe. Nothing ever stands still: if you are not getting closer, you are probably getting further apart, which is not something that I want to happen.

Ashley mentioned the draw of the benefit system in the UK. That can be addressed without having to go through this whole process, but there is no evidence that it is a draw for people coming into the EU. The migration figures show that there are just over 2 million Brits living elsewhere in the European Union and just over 2 million other Europeans living in the UK. The difference is that the people coming into the UK tend to be economically active people who pay their taxes. They are young and they are not using the health service as much. People who leave the UK tend to be retirees. So there is an equal balance of numbers. There is an issue of migration from the outside, and we might get to that.

If we were really looking at Cameron's request for real reform, for me, top of the list would be Strasbourg, but that is not on the list and not up for negotiation, any more than free movement is.

The Chairman: Thank you. If I can respond, you and Glenis mentioned that, as you see it, reform is a continuous process here anyway. You also went on to say that, to some extent at least, the peoples of Europe are growing closer all the time, whether through economic, social or personal interrelation. If we suppose, for the purpose of the argument, that that is the case, do you concede that there is still some issue of public acceptability within the UK with which the Prime Minister appears to be concerned? If there is, within the terms of meeting that, how do you see that that could be most appropriately fulfilled?

Catherine Bearder MEP: In the UK, we have years and years of misinformation, a bad picture painted by the media, not a correct one. There has not really been a programme of information taught in schools in any constructive way, so there is huge ignorance about what happens at the European Union, the role that the British Government, MEPs and all the fonctionnaires here from the UK—the fact that we have a big embassy. When I tell people, they do not understand that. There is an issue with how we present the European Union and having an honest debate. We are where we are, so I hope that the debate will be fulsome, not rushed, and that we have a proper debate about our role in the European Union. If that happens that is a good thing, but it is much more about the UK's relationship with the European Union, rather than reforming the European Union per se.

Q128 The Chairman: Thank you for those initial responses. I will ask one final question and then remit, as it were, to my anxious and eager colleagues. It occurs to me, and I think it must to you because you work at it every day, that the language of the European Union at both the institutional level and at the practical level for you as a parliamentarian is heavily charged with technical terms and concepts that do not exactly trip off the tongue in the Dog and Duck, if I can put it that way. Words like protocol, derogation and trialogue are not familiar to people. First, do you think it is important to address that in a referendum campaign, and, secondly, will it be practically possible to do it in terms in which the electorate, who are being asked to make this critical decision, will be able to understand and respond to in an informed way? Catherine, perhaps you would like to start.

Catherine Bearder MEP: Absolutely, but that would be the same for any institution. If people were going out to sell the Lords, there is an awful lot about the Lords that no one would understand in the Dog and Duck. Any trade or profession has its technical terms. Here, we have 23 or 24 official languages that we are constantly having to work around. If the Brits

have brought anything, the majority of people now speak English, certainly here in the Parliament but across the whole continent. That is a huge thing that we have brought to European unity. As Brits, in meetings we are all asked, “What would you say in English?” Yes, language is an issue. I never talk about member states, as people do here; I always talk about countries. That is something that we need to be aware of when we face the referendum, but that would be so if you were defending the House of Lords.

Glenis Willmott MEP: I agree with a lot of that. We use jargon, as does every institution. We have to remember that. When I go out to speak to groups of people I always try to use plain English of the sort that I would have understood before I was here. It is really important that we use the right sort of language when we talk to people, but when you are here you slip into that jargon and you have to keep reminding yourself not to use it. When you issue press releases, newsletters and so on, you have to make sure that it is in a language that people understand. So, yes, there is a lot of work that could be done, but I agree with Catherine that that could be said of all institutions.

Ashley Fox MEP: I would not disagree with any of that, but it is difficult to see how you are going to change the perception of the EU in the eyes of the British public between now and the date of the referendum simply by explaining yourself better.

I suspect that when the British people come to decide whether to remain or leave, it will come down to a gut feel. I suspect that the two issues that they will be considering as they cast their vote will be economic security and migration. Things about red cards and yellow cards, the technical language, are very interesting for the likes of us but will not feature one jot in the debate.

The Chairman: That is pretty well shared between the three of you, is it, realistically? I am going to ask one final question: heart or head? If you were advising either campaign, would you tell them to go to the heart, or the head or is that a false distinction, Glenis?

Glenis Willmott MEP: For me, it has to be an emotional argument. If you want to win any referendum, yes, you must have the facts and you have to be honest with people. Occasionally, I agree with Ashley that this will be an emotional argument and people will base their determination on how they decide to vote. Obviously, it will be a gut feeling and that is very difficult.

Ashley Fox MEP: On the economy, the remain campaign will have stronger arguments. The leavers will have difficulty in saying what will follow. They will have difficulty explaining that everything will be fine.

Migration, particularly the scenes we have seen over the last 12 months and literally hundreds of thousands of people coming to the shores of Europe and the difficulties we have seen in Germany, is a problem for the remain campaign. Mr Farage and others will say, “You have all these people coming to Britain”. I suspect that that will be their argument. It is not one I agree with. The remain campaign will have to tackle migration, which is why the way the Prime Minister tackles that is so important. It is essential that we get something on that subject.

Catherine Bearder MEP: Yes, it will have to be the heart when people go to vote. It is already confused because the question “remain” or “leave” is slightly odd.

The Chairman: It was recommended by the Electoral Commission, for the record.

Catherine Bearder MEP: I know. To remain is a strange thing to campaign on. So it will be in or out and I hope that when people get into the polling booth they will remember that remain means in. Migration will be tricky and it will remain to be seen how that is solved. As I said, migration into the UK is not net migration from Europe, from our partners in the EU; it mostly comes from outside the European Union and there is huge confusion, even in government, about that. If you are wanting to stop migration into the UK, leaving will not make any difference. That is an added confusion.

The Chairman: Thank you. I enjoyed those particular exchanges on the nature of the referendum question. For the record, it occurred to me that the word “remain” is concluded with the letters “IN” and the leave campaign concludes the three letters “AVE”, which some of us know is the Latin for “cheerio”. Let us think about that but now go straight to Baroness Scott.

Q129 Baroness Scott of Needham Market: Thank you. In our visit in the summer and again over these days, we have picked up a very strong sense, first, that there is a collective will that Britain should remain and, secondly, that everything will be done to give Prime Minister Cameron a deal that he can be content with.

I want to think about “what next?” and get your views about whether you think that this will further entrench British exceptionalism; in other words, that there will always be a different deal for the Brits. Also, what are your views on the impact this will have on other member states and how they feel their domestic concerns might be addressed in the future? It is really about asking you to think about the potential impacts a bit down the road once we get February done.

Glenis Willmott MEP: Thanks very much for the question. People do feel that the Brits see themselves as a special case. There is no doubt in this Parliament: people say to you all the time, “The Brits see themselves as a special case and they always want a different deal from

everyone else”. The thing is that lots of other countries will want other things, too. They say, “If the Brits are going to get a new deal, what about our concerns and what are we going to do about the things that we do not like?” There is a fear that this will start a process of other member states or other countries looking to see what they can gain from it.

You are right that there is a lot of good will. No one wants Britain to leave. They know that it is not in Britain’s interest and they also know that it is not in the EU’s interest to leave. So there is a lot of good will and people are searching for solutions. As regards most of the baskets that the Prime Minister has asked for, there is general agreement that solutions will be found, apart from the four years issue on benefits. That is very difficult, mainly because of the legality of it. It is not that people do not want to find a solution because I think they do. It is just how they find a solution. We have yet to hear what is going to be suggested. I know that people are working very hard to get something that will resolve the problem and allow the Prime Minister to come back and say, “This is a good deal for Britain” and all the rest of it.

I think that it impacts on how other people see us. I think that they feel that we have not done it in the right way and that they would have preferred Britain to say, “We have got these issues. Let’s discuss it and see how we move on together”, rather than threaten exit. I think that they feel quite strongly about that. Having said that, they really want us to stay and will try to find whatever solutions they can to make sure that that happens.

Ashley Fox MEP: Will this deal further entrench British exceptionalism? Yes, I think it will, particularly if we have a reference in protocol that ever-closer political union will not apply to the United Kingdom or some declaration that we do not want to participate in any more Europe—to put it simply.

Remember that we are not in the euro and we are not in Schengen. I think that the Prime Minister’s vision is, “If the EU is to survive into the future, flexibility is key”. So if this does lead to different countries making different demands, so be it. I would welcome that because I do not want a unitary state called Europe. I want sovereign countries to have treaties between them and govern their relationship.

I profoundly disagree with Glenis about this threat of exit. If we were not holding a referendum, nothing would happen. It is true that reform is an ongoing process and we talk about the refit programme. But this is quite a gentle process; the EU reforms at glacial speed. Without the promise of a referendum and without the implicit threat that if nothing happens we will leave, this would not be happening at all. I think that the Prime Minister’s strategy of holding a referendum was essential for anything to be achieved.

Catherine Bearder MEP: No, I disagree with that last point quite considerably. If David Cameron was not proposing the renegotiations and calling the referendum, nothing would happen. How then did we ever come up with the Lisbon treaty? How then have we come up with the changes that we have had? There were problems around introducing the euro but all these things have happened despite David Cameron not being there to demand that things change.

This clearly is an issue for the Brits. It is leaving huge frustration among our partners within the EU and colleagues here in Parliament. They want us to stay and they recognise that we bring an enormous amount of history, knowledge, a way of working, pragmatism and diplomacy. All the things that the Brits are known for globally are brought to the table in the EU and that is recognised and valued. But there is growing frustration, which is beginning to turn into more than frustration. I would not call it anger but it is getting to the point where people are asking, "How much more do the Brits want? You've got a huge number of opt-outs in justice and home affairs". We are not in Schengen. Whenever there is something, we may say, "Hang on a minute, we do not want that".

So there is that frustration, but there is a recognition that we have this core at home with a divided Conservative Party and another party of nationalists in the shape of UKIP which are pulling in different ways. But there is an acceptance that we should try and get a good deal, that we can have a good result, and that Britain then will hope to stay in and then move forward.

My concern, which is a huge concern for all of us, is that if we left, the deal we would be given for exit would be such that it would stop anybody else asking to leave. We would bear the brunt of a pretty angry remaining 27 in the deal that would be given to us. They would not want anybody else to tear off and go away because then the stitching comes undone.

Ashley Fox MEP: Catherine described the Lisbon treaty and the creation of the euro as part of a process of reform. Those two were both part of European integration; that is, part of the European project as viewed here in Europe. I do not regard those as reforms. That is a journey towards ever closer political union, which I explicitly want to stop. I think the frustration that my colleagues describe is the frustration of a big country saying, "We don't want any more of this. We don't want any more ever closer political union". So of course they do not like it. But, and forgive me for saying this: tough. My view is that it is the settled will of the British people that they do not want any more Europe. I think my colleagues would acknowledge that if these reforms do not deliver enough, the danger is that we are more likely to vote to leave. Therefore, an ambitious reform programme is essential if we are to remain in the EU.

Glenis Willmott MEP: There are a couple of things that I would like to add. Ashley said that that is the settled view of the British people, and I think that is true at the moment. But that is because of all the propaganda they have suffered over the years from the Eurosceptic wing of the Tory party and UKIP. There is no doubt that you never hear many positive stories in the press. I am not blaming the press for this, but it is a fact: the positive stories are never there; it is always the negative stories. Quite often, the stories are just not true. That is why the view of the British people is so skewed: because they do not hear about the things that we do here that are good for Britain. They also have this false view that all their laws come from Brussels, which of course we know is not true. The House of Commons Library talks about 12% or 13% of laws being initiated in Brussels, and they do not tell you that Ministers have had to agree to those laws and MEPs, who are elected democratically, have also had to agree to those laws. It is probably true that that is the view of the British people, but it is because it has been skewed for all these years.

The frustrating thing for people like me, and for Catherine probably, is that, here, so many other countries and other colleagues would really like the UK to be leading in Europe. They really want us to be at the heart of Europe. They really want us to be one of the leaders in Europe and are so frustrated that we do not take up that opportunity. Think of the sort of Europe that we could have if Britain was leading in the way that they want. We would have a more progressive Europe; we would have reforms all the time, in the ways that we would want to see. Part of the reason is our own fault, because we do not take up that challenge and that leading role that so many people want us to. That is part of the problem.

Q130 Lord Liddle: I have one question for Glenis and Catherine and one for Ashley. The first question is for Glenis and Catherine. You spoke about the frustration with the British, which I of course understand. But the Prime Minister has said that he thinks he is well on the way to an agreement in February. Do you think that, despite this frustration, our partners are going to overcome it and we are going to reach an agreement?

The next question is to Ashley. We are addressing here the vision of the EU. Do you regard the conclusion of Mr Cameron's negotiation as the end-point of reform, or do you see it giving a platform for Britain to be a more active and leading player in the European Union? Just on one specific point, the Prime Minister, in his Chatham House speech, made an awful lot of the security case for Britain being in the European Union. Does not that mean more British engagement, not the kind of standing back that you slightly gave the impression of in your remarks?

Glenis Willmott MEP: Okay, thank you very much. I think that we are well on the way to an agreement. There is a lot of frustration but so many people, as I said before, are desperate for Britain to stay, for our sake and for their own sake. They know that Europe would be poorer without Britain because of all the things that we discussed earlier. We have so many skills and we are a big country, so people are desperate for us to stay. I do think that we are well on the way to an agreement. I hope that we reach an agreement by February because, frankly, in my view, I want to get on with the referendum and hopefully win the referendum, and then move on and get on with other things that are of importance too.

What is also frustrating is that we have had the eurozone crisis and the refugee crisis. There we are, in the midst of all of this, arguing about whether we have the words “ever closer union of the peoples”. You can understand why people get annoyed and frustrated with us. Having said that, I think that they are desperate to reach an agreement.

Catherine Bearder MEP: Yes, and I shall not repeat what Glenis has said other than to agree with it. Will that put the question to bed? I think that what we will have after the referendum is a better informed British public—although, looking to Scotland, that did not put that question to bed. If we then have a Government who truly engage in the way that Glenis described saying, “We’re in and we are now going to really engage and take part in this”—instead of continually being grumpy on the sidelines—you actually end up with a stronger team. If you have a team player out on the football pitch and somebody who always sits there with his arms crossed saying, “I don’t want that ball; I wanted a red ball”, you have a team that is weak. But if you actually say, “We are part of this and are going to make it work; let’s get stuck in”, that is better. If the public are then better informed that would be most helpful.

Every MEP and every group that I am working with are saying, “What can we do to help? How can we help you in your campaign to make sure that you stay?” The smaller countries in Europe see Germany, France, Poland and Italy as the big countries, and they see the UK as one of those. They want the UK to be in there to balance the old Franco-German axis but also to bring our sense of fairness to the questions. Certainly the smaller countries are very concerned that we would leave, as are the big economies as well.

Ashley Fox MEP: To answer the points addressed to me, no, I do not think that the conclusion of these negotiations means an end-point to reform. I think that the UK has been an active player. Look at the areas where we have a real interest: the development of the digital single market; the construction of an energy union, because if we could buy and sell gas and electricity freely across the whole of the EU, it would be my constituents who had lower energy prices, and that would be a real benefit; the new trade negotiations that Britain is

pushing; striving for greater efficiency and cutting the EU budget. I think we are active and we have an agenda. Now, it might not be an agenda that many of our European colleagues agree with all the time because, specifically, we do not want ever closer political union. If other people are frustrated by that, there is nothing I can do about it. I want the UK to remain an active player in pushing for things that are in our national interest. When this reform process is concluded, I suspect that in the next 10 years there will be further treaty changes, perhaps to enable the eurozone to have a single treasury. When that happens, there might be the opportunity for Britain to win further reforms, and I might be looking for us to distinguish ourselves from that federal core. We could see further political integration by some countries and less political integration by others. I do not think that is a problem.

On the security point, passenger name recognition is something that the EU will deliver next week in Strasbourg. That is an important step forward in security co-operation, and a British Conservative, Timothy Kirkhope, is the rapporteur.

Lord Jay of Ewelme: Thank you very much. Just to follow up Ashley Fox's answer to the last question, assuming for a moment that the answer to the referendum is a yes and then we embark on the referendum campaign, would you think it sensible for the Prime Minister not just to say, "I've got these four baskets satisfactorily resolved", but "Don't forget that the United Kingdom is also making a difference to the way in which the European Union has evolved" in different ways such as those that you outlined? Do you all think that that would be a sensible and a justifiable line for him to take?

Ashley Fox MEP: Yes, it would. If the Prime Minister is going to recommend an in vote, which he says he will if he says he has a successful package of reforms, he will need to make the case on every level as to why we are better off in. I have not made a decision yet; I want to see what is in the package of reforms. However, clearly, the single market, energy union, and the ability of trade, digital services are all things that are in the interest of our consumers, so those would be the positives I would expect the Prime Minister to sell.

Catherine Bearder MEP: Absolutely, yes, we have to sell what we have brought to the European Union as well as what the European Union has given to the peoples of the UK, and that will be a comprehensive campaign; certainly the Liberal Democrats will be campaigning to stay in. Even if Mr Cameron comes back and says that he did not get what he wanted, we will still be campaigning in the referendum to stay in because we recognise that that is of huge benefit to the UK, and we will be campaigning on that, whether it is on peace, the opportunities, the economy, the environment, or security. All those issues will be the ones that we will campaign on, because it is a two-way street.

Glenis Willmott MEP: I agree with all of that. I think that he has to argue on every level the positive benefits of being in the EU. That is really important. We have seen a change in language in recent times from the Prime Minister, and he is making much more positive noises now about Europe, as he did about security. So he has to make the argument on every level. The Labour Party will campaign to stay in, whatever he comes back with, because we know that that is in Britain's interest: it is in our economic interest, our security interest, in the interest of workers' rights—everything. We would therefore argue that we should stay in, and if we need further reforms, we will work with colleagues to make sure that we get those reforms. On the discussion that we had before, when we were saying that the biggest issue would be immigration—there are lots of reforms we could make here to deal with some of those problems people have with immigration. For example, when I talk to people on the doorstep many people are concerned, not about immigration per se but about “That person may come here and do my job for less money, and that's what's worrying me because I won't have a job for me and my family”. We could do something about that here in the European Parliament if we had the will and the backing of the British Government. We could do many things to resolve some of those problems.

Q131 Lord Green of Hurstpierpoint: Ashley said just now that one of the things that we ought to be able to celebrate is Britain's involvement in a very proactive sense in pushing forward the single market, and he mentioned in particular the digital single market. Of course, one of his baskets has to do with competitiveness. My question is: what specific measures can you imagine coming in to that basket that will enable him to go back to the British people and say, “I have made a positive change to the relationship with the EU”? The risk is that this becomes a form of words and the EU itself and many people from many countries and across the political spectrum could say “Yes, the question is: what specific things do you think could be in that basket?”

Ashley Fox MEP: You have put the finger on the point precisely. Everyone would agree that Europe should be more competitive, but what does that mean in terms of concrete action? For example, could we have a very specific target for reducing the burdens of regulation—and let us talk about what that means to individual citizens. Therefore, for example, if you are a farmer, how will we reduce the burden of regulation for that farmer? At the moment, when the common agricultural policy is applied, farmers have six, seven, eight, nine, 10 visits from different people to inspect their farm and check different aspects of compliance. So could it mean, for example, that they would have one annual visit from one individual capable of certifying that they are compliant in every respect? I do not know whether that is possible, but

I would like to see real examples of how individual citizens would benefit. I see a push to signing more trade deals around the world as important, because the EU is capable of signing deeper and bigger trade deals than the United Kingdom on its own. The but—the problem—is that it is so slow at that process. That is a criticism that those who want to leave can make, and reasonably make of the EU—that it is pitifully slow in concluding these trade negotiations. So I would look for a renewed impetus to trade negotiations.

Lord Green of Hurstpierpoint: If I may come back with a pair of observations, it seems that the risk is that, just in terms of a declaration of victory in the negotiation, it would be difficult for any Prime Minister to come up with a specific list of the kinds of detailed change that you have just mentioned. I have no idea whether one visit to a farm instead of 10 is practical. I cannot imagine that it will be possible within the next three weeks to agree a series of various kinds of detailed changes. As to trade, as a former Trade Minister I would be tempted to make the point that it takes two to tango, and often the reasons why these things take a long time to negotiate is that both sides agonise about the detail of the trade deals. But that is an aside. I am struggling to get at the two or three headline kinds of quotes he can make that are below the level of generality that we will want more competitiveness.

Ashley Fox MEP: And I am struggling as well. If there was a specific piece of legislation that we thought was offensive and burdensome about which we could say, “That would be repealed”—for example, the working time directive—that would give you a specific example. But I do not think that the Prime Minister is talking in terms of that. I, too, am struggling to answer your question in terms of concrete deliverables beyond very specific burden reduction targets for business.

Catherine Bearder MEP: You have put your finger on why our colleagues are so bewildered. What will be the benefit to five of the European member states? I am just using the jargon now. Five of the countries in the European Union are in the top world economies, leading the world economy, including the UK. So we are competitive within the European Union; we have the same regulations, unless rules of subsidiarity come into play, which is what happens at Defra. If Defra wants to make visiting farmers as complicated as it possibly can, why is the UK Government making life difficult? Therefore if David Cameron is coming in and saying, “We want to do away with these rules”, he will never do away with the rules for everybody, otherwise we are not competitive with each other and we are competing on sweat shops rather than good social care for our workers. So that is the nub of the frustration. It is not beyond the wit of the brains in Brussels to come up with something, but whatever they come up with, he has to reply.

I would have liked to have seen something from Cameron on enforcement. We pass legislation here—a co-decision of the Council—that we want people to comply with X, Y and Z, but too often it is not enforced fairly across the European Union or is enforced in different ways. That is something that we could have looked at. However, as regards competitiveness, we are all very competitive, and on red tape, you need rules to trade, and if they are the same rules for the Danes, the Spaniards and the Brits that means that you can trade fairly with each other.

Glenis Willmott MEP: Thank you. I absolutely agree. I think that is the point: we do not know exactly what he means by that, because everybody would agree that we want the EU to be more competitive. What exactly does he mean in terms of concrete issues? When people talk about red tape, that has already been dealt with. As has been said before, with REFIT the Commission is looking at the bureaucracy and trying to reduce red tape. But you do not want to make the EU even more remote. At the moment people do not buy into the EU because they say, “Brussels is over there; as MEPs we’re too remote”. We have to be relevant to people. What we do not want is just to talk about British business. That is very important, but we have to also talk about workers’ rights. If you are talking about cutting red tape, cutting rights for working people, part-time workers and women is not the vision of Europe I had. That leads to a race to the bottom. Yes, we want competitiveness and a Europe that works, but a Europe that works for everybody, where everyone has a stake. That means that we do not want a race to the bottom. Enforcement is a really positive agenda that we should have looked at and did not. We will have to wait and see what they come up with to satisfy his needs.

The Chairman: Indeed. Thank you. We have five minutes to go and I would like to involve two other colleagues in questions, Lord Davies followed by Lord Jay. We will then have to wrap up because of a long-running session afterwards.

Q132 Lord Davies of Stamford: Thank you, Chairman. We have had two very different understandings from our colleagues in the European Parliament of the phrase “ever closer union of peoples”, one from Catherine and Glenis, the other from Ashley. I was particularly confused by Ashley’s, partially because he has constantly referred to “ever closer political union”, a phrase that does not appear in the treaty at all, as he knows very well. I hope that we do not in this referendum campaign go in for too much deliberate distortion of language, introducing new words and stock phrases in the hope that politically less sophisticated members of the electorate do not notice that kind of thing. That would be to disfigure a democratic referendum campaign, in my view.

I was also surprised by Ashley's assertion that the European Court of Justice has based a political constitutional judgment on the phrase "ever closer union of peoples", which is in the preamble to the treaty. I would be very grateful for chapter and verse supporting that assertion, which I am sceptical about.

I also have to say, from personal experience, that Ashley is certainly wrong in what he says about agricultural inspections. I claim farm payments and have for many years. I have never had a single inspection from anybody. I have spoken on the telephone once or twice to the people concerned, but they check the size of my holding by satellite imagery, so they tell me. I know an awful lot of farmers in Lincolnshire and I have never heard of a single farmer receiving six visits a year. That is a complete myth; all they receive is occasional spot-checks from one particular inspector. So unless something is very different between Lincolnshire and the rest of the country I think we have been sold a bit of a pup this morning in that respect.

Having made those introductory remarks, could I ask a question to all three of our colleagues from the EP? Irrespective of your views on ever closer union of peoples, and I personally feel that it would be absolutely horrific if we decided on a protocol that said that that phrase would not apply to us—in other words, that the British were in favour of ever greater disunion of peoples or something of that sort would be quite extraordinary—what do our colleagues think is a feasible and acceptable possible solution to the problem, the Prime Minister having asked for some assurance on this matter, and the obvious difficulties for our continental partners of making concessions in the particular phrase that has been in the treaty since the beginning?

The Chairman: Thank you, Quentin. While our colleagues from the EP compose their answers, it would be appropriate, as my colleague has raised it also, to declare my interest as a recipient of farm payments. I will not comment further on the frequency of inspections or otherwise, not least because I do not do the day-to-day running of my enterprise at the moment. Who would like to go first on Quentin's question?

Ashley Fox MEP: Perhaps as Lord Davies attacked me in such a partisan manner, I will respond. On the agricultural inspections, that is not a myth, but a real example from farmers in my constituency, who complain of an enormous amount of time wasted through dealing with multiple inspections.

On ever closer union, it is contained in the preamble and in Article 1 of the treaty. Some political colleagues say that it is only in the preamble. Wrong: it is in the treaty; it is in Article 1. There was a House of Commons research paper—my office can provide you with the reference number—which found that the objective of ever closer union is cited at least 53 times in legal cases, while the "spirit of ever closer union" is cited at least 554 times. It is not

a distortion; it is fact. The Court of Justice uses those words as a justification for more Europe. In other words, when there is a decision to be taken as to whether powers should be conferred on Europe or whether it should rest with the member states, the ECJ has a reason in the treaties to justify more Europe.

Lord Davies of Stamford: That is what I am contesting, Ashley. I do not believe that the ECJ has ever based such a decision on that phrase. Can you quote any examples of when it has specifically said so?

Ashley Fox MEP: I shall refer you to that House of Commons research paper.

The Chairman: Okay. If there is anything to follow up in correspondence, please feel that you can.

Catherine Bearder MEP: I have here that the European Council noted in the concept of the ever closer union that you asked about, that they perhaps could allow for different interpretation or integration for different countries, allowing those that want to deepen integration to move ahead while respecting those that do not wish to deepen it further. So the Council has already started to move towards that. I referred earlier to the different languages and interpretations. This may well be a great example of where we can use different interpretations to mean different things to different countries.

I understand the frustration of the Parliament with the process happening and the negotiations being done by the Heads of Government, indeed, to countries that come to the Council. The Parliament has invited Mr Cameron to come here and present his requests to the Parliament, to the plenary. He has said that he is minded to do so, but offered no indication of when he is coming. I do not know how the process of how the Parliament accepts what has been agreed happens, but I know that the Parliament will want to have a say in the agreement. That is another step in that process. There has been some flexibility. I am sure that it is not beyond the wit of those people in the Council to come up with different languages and interpretations for each country.

Glenis Willmott MEP: I am fairly convinced that they will come up with a solution to that problem. I do not think that it is a problem because it is not a political union, as you said; it is a union of the peoples. If that is an issue for the Prime Minister, then fine, I am sure a solution will be found. I am more interested in parts of the EU debate that affect people's lives. I am not sure that the ever closer union of peoples is something that somebody has ever asked me about when I knock on their door. I have never been asked about that, ever. They are more interested in working rights, consumer rights, safety, security, the environment, trade and the economy. Those are the sorts of things they are interested in. I have never heard anyone say to

me, “I’m really worried about the phrase ‘ever closer union of peoples’”, never, ever—except for Ashley.

The Chairman: Perhaps I can cap this by saying that I think that they are interested in migration also. I invite my colleague, Lord Jay, to ask the final substantive questions in these exchanges. We are short of time, but I think we can just fit it in.

Q133 Lord Jay of Ewelme: Thank you very much. We touched a bit on it already, but the Prime Minister has identified “immigration”—I put that in quotes because he used that word rather than “migration”—as one of the four key challenges that we face. In particular, he has talked about the need to exclude in-work benefits for four years. Do you see this as a particularly British concern, or whether, in particular with all the problems with migration at the moment, there is a wider concern about migration among other member states? Can you see a way through the negotiations that would meet the Prime Minister’s concerns and—a point Ashley Fox made earlier—does not touch the principles of free movement?

Glenis Willmott MEP: I do not think there is any doubt that people in Britain are very concerned about immigration and this is an issue in other countries too. As I said, it is often a reflection of concerns about people’s jobs—undercutting of terms and conditions, wages and insecure work—and access to public services. Why do we not have a European fund which can be drawn down from by areas of high migration for hospitals, school places or whatever? We could resolve that at European level. It is a multifaceted issue and, at present, to be honest, most countries in the EU are more concerned about the huge refugee crisis unfolding and the disasters that are happening around us. That is their priority at the moment. I also get frustrated that, when we talk about immigration in the UK, we include refugees and asylum seekers. It is all lumped together and people do not seem to see that there is a difference between those things. We have to be more careful in the language we use when dealing with these issues. Here, everybody’s concern is focused on people drowning when they are trying to get to a safe place; the floods of people coming in from other countries and how we deal with that in the right, humane manner. That is the concern that people have, rather than immigration as a specific issue on its own.

Ashley Fox MEP: I think immigration will be one of the key issues in the referendum debate. There probably is a way through but, not being a constitutional lawyer, I do not know exactly what form that will take. I think most migrants come to the United Kingdom to work hard. Very few of them come to claim benefits but they are, of course, entitled to very generous tax credits because of the nature of our system: we do not require people to contribute to the national insurance system before they become entitled to those benefits. That is a very real

concern and if we can address it, it will reduce the draw factor of the United Kingdom. That would go part way to addressing public concerns. Referring back to Lord Davies, in Case 364 of 2010, *Hungary v Slovak Republic*, the court said that: “Such a break would, in fact, be incompatible with the integration process aimed at creating, in the words of the EU treaty, ‘an ever closer union amongst the peoples of Europe’”. I will refer this House of Commons report to Lord Davies but it does give specific instances when the court has referred to Article 1 of the preamble as saying that the actions of a state were incompatible with that declaration.

Catherine Bearder MEP: Yes, Ashley again used the phrase the “draw factor” of our benefits system. There is no evidence to demonstrate that European citizens coming to the UK come here for our benefits system. They come here for a variety of reasons—to seek work; to better their language skills; they come as students—but mostly because our economy is doing well compared to many other European economies. So they know that there are jobs here that they can do. All the evidence shows that they pay into the tax system and are net contributors. One of our problems is that, whether we should be proud of it or not, the UK has one of the most generous benefit systems. We give people benefits in work, which is unusual across most of the union. I would argue that that is something for domestic legislation. Whatever we do, we have to be aware that we must treat all European citizens equally. If we stop in-work benefits for four years, that must also apply to UK citizens. We cannot discriminate between UK citizens and migrants. When we look at the figures, we have to remember that EU nationals coming to the UK include the Irish. We have a long tradition of this, but they are an EU country and they are counted as EU migrants coming to seek work. They help the economy of the UK and this has been a huge benefit. If they are undercutting, we have legislation on the minimum wage and the rest of it. We have to be aware that we should be treating all EU citizens the same and it would be illegal not to. On the subject of ever closer union, which has been raised, if you talk to any member of a town-twinning group they will say that that is what Europe is all about. We need to be getting closer: it is a lot better than fighting, which is what the history of Europe shows we used to do.

The Chairman: In wrapping up this session, I thank our three colleagues from the European Parliament for contrasting but mutually reinforcing perspectives. We are very grateful for that. Along the way, we have had some references to the need for a temperate approach to these issues, which often become politically fraught, and the need for a certain precision in language, particularly at the sensitive moments in a referendum debate. The Committee would wish to echo those sentiments. I hope that the referendum debate can expose the issues in a fair way, with temperate language, so that people can make a serious and informed decision.

You have contributed very much to our process of thought. We are very grateful to you, and if we ask you to withdraw and change seats it is because we are moving on to a session with academics. We formally declare the end of the MEP session and look forward to a back-to-back session with our academic colleagues from European think tanks. Thank you all very much.