



National Assembly for **Wales**
Cynulliad Cenedlaethol **Cymru**

**Better Governance for Wales –
key material:
Statements and Debates,
June 2005 – August 2005**

Abstract

This paper draws together the key statements and debates relating to the White Paper 'Better Governance for Wales' from June to August 2005. It includes transcripts of proceedings from the Assembly and Westminster. The paper will be updated regularly by the Members' Research Service.

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Better Governance for Wales – key material

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Better Governance for Wales – Key Material:

June 2005 – August 2005

1 Statement by the Rt Hon Peter Hain MP, Secretary of State for Wales, and debate in Parliament 15 June 2005

HC Deb 15 June 2005 c263-277

Welsh Governance

The Secretary of State for Wales (Mr. Peter Hain): With permission, Mr. Speaker, I should like to make a statement on the publication today of the White Paper, "Better Governance for Wales".

Devolution has proved to be a success, both for Wales and the rest of the United Kingdom. By establishing the National Assembly for Wales in 1999, following the endorsement of a referendum, the Government have moved the decision-making process closer to the people.

Six years on, the benefits can be clearly seen: record levels of employment, rising standards in education, and groundbreaking initiatives such as the Children's Commissioner, free bus travel for the over-60s and disabled, and Assembly learning grants. With equal numbers of male and female Members, and pioneering commitments to open government, sustainable development and equal opportunities, the Assembly has been a progressive institution attracting interest from around the world.

After the experience of six years of devolution and two full sets of elections, it is now appropriate to review and improve the working of the Assembly, not to make change for change's sake but to ensure that it continues to meet people's needs in Wales and remains accessible and accountable to them.

The White Paper therefore covers three key issues, which the Government believe need to be tackled to deliver better governance for Wales. It addresses the response of the National Assembly to the report of the commission on its powers and electoral arrangements, chaired by Lord Richard of Ammanford, and the commitments made in the Labour party's general election manifesto.

First, the White Paper contains the Government's proposals for legislation to effect a formal separation between the Assembly and the Welsh Assembly Government. The lack of a clear separation between the Assembly itself and Assembly Ministers and the civil servants working for them has generated confusion about who is responsible for decisions. Under the corporate structure, Ministers are in the contradictory position of sitting as members of subject Committees meant to scrutinise their decisions. Secondly, the Government propose to give the Assembly, gradually over a number of years, enhanced legislative powers in defined policy areas where it already has executive functions.

As a first step, the Government have decided, from now onwards, to draft parliamentary Bills in a way that gives the Assembly wider and more permissive powers to determine the detail of how the provisions should be implemented in Wales. That will not require any change to the Government of Wales Act 1998, but it will require a more consistent approach to drafting legislation for Wales.

As a second step, we propose to put in place a streamlined procedure enabling Parliament to give the Assembly powers to modify legislation or to make new provision on specific matters or defined areas of policy within, and only within, the fields in which the Assembly currently exercises functions.

Orders in Council conferring those powers would be made at the request of the Assembly Government, and would be laid by the Secretary of State and be subject to specific authorisation by both Houses of Parliament through the affirmative resolution procedures. That means that more legislation will be "made in Wales" and that the Assembly Government will be able to secure more effectively and more quickly the legislative tools they need to get on with the job of building a world-class Wales with a globally competitive economy and high-quality public services.

Those enhanced legislative powers are adaptations of the current settlement and do not require a referendum. However, it may prove in the future that even those additional powers and streamlined procedures are still insufficient to address the Assembly's needs.

The Government have therefore agreed to provide the option of further enhanced law-making powers. This would mean transferring primary legislative powers over all devolved fields direct to the Assembly. But, as a fundamental change to the Welsh devolution settlement, that option would require the support of the electorate through a post-legislative referendum, triggered by, first, a two-thirds majority of Assembly Members and, secondly, a vote in Parliament. The Government envisage no particular timetable for this, as it would be dependent on a consensus, which certainly does not exist at present. The history of Welsh devolution referendums is salutary. The big No vote in 1979 showed the dangers of conducting a referendum before sufficient consensus had emerged, and the Government remain conscious of the narrow majority in 1997, when it appeared that there was indeed such a consensus.

I note that the Richard commission itself saw the acquisition of primary powers as a process that would take a number of years to achieve, and not before 2011. My view is that the new Assembly arrangements should be allowed to bed down through the next Assembly term—between 2007 and 2011—and that there is no case for considering a referendum until at least the following Assembly term of office.

The people of Wales will wish to be convinced of the reasons for going beyond the new enhanced law-making powers before being invited to vote in a referendum. We therefore need some years' experience of the new system before we can make a proper assessment of when that might occur.

Finally, we propose to deal with a weakness in the existing additional-Member electoral system for the Assembly. There is widespread concern that the current operation of the regional list system in Wales is damaging the vital relationship between Members and their constituents, and indeed causing unnecessary tensions between Members themselves.

Losing candidates in constituency elections being able to become Assembly Members through the regional list, and thus claim to act as a Member for that very same



constituency, both devalues the integrity of the electoral system in the eyes of the public and acts as a disincentive to voting in constituency elections. We therefore propose to amend the provisions of the 1998 Act to prevent individuals from simultaneously being candidates in constituency elections and eligible for election from party lists. Candidates will have to make a choice.

I believe that the proposals in the White Paper provide a practical, common-sense road map to sensible, staged improvement of the existing arrangements. One of the key reasons why the transition to devolved government in Wales has been smooth is that we have moved at a pace determined by the people of Wales.

The White Paper reflects that guiding principle. It will provide a reformed structure that is more accountable, more participatory and more effective, giving more powers to the Assembly and leading to better governance for a better Wales. I commend it to the House.

Bill Wiggin (Leominster) (Con): May I thank the Secretary of State for advance sight of the statement, although I regret that I did not have quite as much time to read it as the BBC, which was quoting him at 6.43 this morning? Given that he is a former Leader of the House, I was surprised by that, but I do not wish to be discourteous.

The Secretary of State referred to the three key areas in the White Paper in which changes are proposed. We welcome the proposal to separate the legislature and the Executive and to improve effective scrutiny, but the bulk of his statement dealt with the enhancing of legislative powers and changes to the electoral system, about which we have profound concerns. Why did he say, that there is no consensus for a referendum today, and that it would be lost? Why has he made it clear that the White Paper proposes moves that would lead to full legislative powers for the Assembly? Why is he not interested in the views of the Welsh people after six years of Assembly government? It would seem that the Secretary of State has recognised the need for the referendum, but why is he determined to put the cart before the horse? Why has he proposed to empower the Assembly in areas such as health and education? Is he pleased with their record? Is he pleased that waiting lists have increased by 80 per cent. under Labour, and that 61 schools have closed since 1997? Is he pleased that Wales will not have tuition fees? It seems odd that he has chosen to enhance powers in the areas that are failing the people of Wales the most. Is that because the White Paper is really intended to empower Labour in Wales, rather than the people of Wales?

How does the Secretary of State square all this with condensing consideration of a Bill and all its stages into a one and a half hour debate? What does he expect will be the impact on the role of Welsh MPs? What opportunities will there be for them to amend an Order in Council, or to comment on Welsh legislation? Does he therefore propose to address the size of Welsh constituencies, as a result of their inability to determine Welsh legislation, or would that not be in the interests of the Welsh Labour party? Welsh MPs are elected by the people. Has the Secretary of State learnt from his friend the Chancellor of the Exchequer to go for stealth empowerment of the Welsh Assembly? If so, why has he increased the number of Wales Office staff in London?

I now turn to probably the most spiteful part of these proposals—the changes in the electoral system. How many Labour Assembly Members will be standing as

first-past-the-post candidates, considering that all of them stood as such candidates, and as list candidates, at the last election? Why did he not see the anomalies when he fought for this system in the first place? Will list Members be able to stand as first-past-the-post

Members in other constituencies? Does he not agree that his comments on the Assembly electoral system are equally applicable to any proportional representation system?

The Secretary of State said that he has moved at a rate determined by the people of Wales, but the reality is that he has not asked them about this issue because he knows that they will regret this stealthy empowerment, spun as further powers semi-skimmed. In fact, this is simply a way of avoiding a referendum. Why has he rejected the increase in Assembly Members advised by the Richard commission? He has given the impression of providing semi-skimmed legislative powers, but this White Paper is the full-fat proposal, stuffed with E numbers and leading to all the attendant health repercussions. I can understand why he said what he said. This is the man who called the EU referendum a tidying-up exercise, so the whole House will understand why he is afraid of referendums.

Mr. Hain: That was a spiffing performance, if I may say so. The hon. Gentleman asks about a referendum, but he wants to abolish the Assembly altogether. The Tory leader in the Assembly wants it to have more legislative powers, so he will presumably back the White Paper. Moreover, the Leader of the Opposition is apparently unable to make up his mind—he does not know what to say about this issue. I can tell the hon. Gentleman, since he asked, that we will call a referendum only if there is a consensus for one. There is no consensus for one now, and it would be lost. There is no case for holding a referendum until at least into the next decade—if a consensus exists then. I can tell the hon. Gentleman that a multi-option preferendum, which is the policy of the Tory party, may be the best way of sorting out the party leadership contest, but is not the best way of determining the future governance of Wales.

The hon. Gentleman asked what was the difference between an Order in Council and a Bill. I should have thought that, as an experienced parliamentarian who has served in at least one Parliament, he would understand that. The Order in Council will of course be able to be subject to scrutiny in advance. There is a period during which it can be laid before both Houses of Parliament. The Assembly will bid for a particular policy or modification of legislation, and will have to specify in great detail what its legislative modifying effect might be. The House will then have an opportunity to vote under the normal affirmative resolution procedure. I think that this is a much more streamlined procedure, which will be better for the House of Commons with its crowded legislative programme, and better for the Assembly as well.

The hon. Gentleman asked whether there were any proposals to change the number of Welsh Members of Parliament. The answer is no, and I will explain why. The settlement that I propose is very different from that which operates in Scotland, where tax-varying powers exist and there is control over policing and criminal

justice, and a number of other matters. That does not apply to the policy in the White Paper, which is confined to the existing settlement—*[Interruption.]*

Mr. Speaker: Order. The hon. Member for Leominster (Bill Wiggin) must not put questions at the Dispatch Box and then continue to interrupt the Secretary of State. That is not on.

Mr. Hain: The hon. Gentleman described the list proposals to prevent candidates from standing in both the list and the constituency categories as spiteful. Let me quote to him evidence submitted to the Richard commission by the Electoral Reform Society. The society said:

"A system in which candidates can lose elections but nevertheless win seats undermines respect for the electoral process."

It went on:

"No less than 17 out of the 20 AMs"

—Assembly Members—

"elected from lists were candidates who lost constituency contests. In Clwyd West there were 5 constituency candidates, but 3 of the 4 who were defeated ended up as AMs".

It said:

"There is also concern that list members can 'cherry pick' issues, deciding to focus their activities on those issues most likely to raise their profile or create problems for their constituency opponents . . . list members have concentrated their energies in constituencies in their regions where there are future prospects of winning constituency seats."

That is the reason—and I remind the hon. Gentleman that the leader of the Liberal Democrats in the Assembly secured only 14 per cent. of the vote when he stood in Torfaen, but was elected through the list anyway. That is not a defensible system. I do not favour more Assembly members. Nor, indeed, does the First Minister. However, I will listen carefully to any proposals that may be presented. May I take the hon. Gentleman's question to mean that he wants more politicians in the Assembly?

Mr. Paul Murphy (Torfaen) (Lab): During the general election the people of Wales, I believe, indicated to us that they were more concerned about the delivery of good-quality public services than about endless talk of constitutional change. I think that the White Paper addresses that, and contains sound, balanced and sensible proposals that allow the people of Wales, through their elected representatives here in Westminster and in Cardiff, to work together to bring about those good-quality services.

Mr. Hain: I am grateful for my right hon. Friend's support for the White Paper. He played a distinguished role in Cabinet in helping me to shape it into something that is at the centre of gravity of public opinion in Wales.

I agree with my right hon. Friend—indeed, I probably echo his experience—that during the general election campaign not one voter raised the issue of the Assembly's powers with me. On the only occasion on which it was raised, it was raised by journalists. That indicates the priorities of the chattering classes in Wales. Nevertheless, the case has been made for the sensible staged reforms that we propose.

Lembit Öpik (Montgomeryshire) (LD): I thank the Secretary of State for giving me early sight of the White Paper. I am pleased that, following its publication, we can have a serious and informed debate about the extent of the Assembly's powers months in advance. May I also say that we greatly support the statutory division of responsibilities between Welsh Assembly Ministers and the National Assembly for Wales? Does the Secretary of State agree that that is both sensible and overdue because it makes it easier to hold the Welsh Assembly Government to account, instead of always blaming the Assembly as a whole for errors of government? We know, for example, that student fees are supported only by Labour and opposed by the rest of the Assembly. Does the right hon. Gentleman agree that it is important for the public to see that sort of transparency? Will the Secretary of State clarify the timetable? He said that no significant changes that would require a referendum were likely before 2011, but it was not clear whether he really meant 2011 or 2015 as the earliest time at which a referendum could be held. In either case, why is he so reluctant to accept the recommendation of the Richard commission that such a referendum could happen sooner?

The issue of the triggers for the referendum—a two-thirds majority from the Welsh Assembly and, I assume, a majority from both Houses of Parliament—is also worrying.



Why is the Secretary of State placing so many barriers between where we are now and where we should be in the future, particularly when the Scottish Parliament secured all the powers that it sought on the basis of a single referendum? Does he not see that by placing so many barriers between now and the future, it looks as though he is trying to make significant reform impossible? Given that he has not discussed the case for tax-varying powers anywhere in the White Paper, why does he believe that we require a referendum in any case?

On the issue of the splitting of constituency and list candidatures, can he not see that it looks to other parties as if he is seeking to arrange matters in a way that favours his own party and potentially disadvantages others? What business is it of the Secretary of State for Wales to impose restrictions that mean that other parties—and, indeed, his own—cannot choose the people that they want to stand for both the list and the constituency candidatures? Given his transformation on the road to Damascus on the issue of democracy, does he agree with the rest of the country that securing 36 per cent. of the poll certainly does not give his party the authorisation to govern the country as a whole? Can he give me an assurance that he will look further into the wider issue of electoral reform across the country?

On the veto, the Secretary of State seems to have included, under paragraph 3.16, the power to block aspects of devolution that he does not like. Does that not amount to centralised control by the back door? If I have misunderstood the implications, will he clarify precisely what he means to achieve through paragraph 3.16? Will he also ensure that consultation will take place not only across Wales, but across the border, as neighbouring constituencies in England will also be significantly affected?

Finally, will the Secretary of State accept that those who are genuinely in favour of the Welsh Assembly having significantly greater powers regard the White Paper, far from giving a green light to devolution, as

something of a white flag to the devolution sceptics? It seems to me that the Liberal Democrats, the official parliamentary opposition in Wales, will have to build new alliances with individuals from all parties and from none who want to give the Welsh Assembly the powers that it needs to provide Wales with the services that it deserves.

Mr. Hain: I can encourage the hon. Gentleman in this at least—that my Back-Bench colleagues are absolutely delighted to see him vaulting over the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) to become the leader of the opposition in Wales. I am rather puzzled by his question on the referendum, however, because the leader of the Liberal Democrat group in the Assembly believes that there should be a referendum immediately, whereas the hon. Gentleman told the Welsh Grand Committee that he did not believe in a referendum at all. So what is the Liberal Democrat policy on holding a referendum on primary powers? I think that we should be told.

The hon. Gentleman asked about the timetable. I have made it clear that I see no case at all even for visiting the question of whether a consensus exists on the referendum before 2011 because the new arrangements will take time to bed down. The whole structure of the Assembly will be reformed and I am grateful that the hon. Gentleman welcomed the abolition of its present corporate status, which is confusing and denies accountability. The Assembly will acquire enhanced powers and a new method of streamlined bidding for legislation from the House, so it will have to assume greater responsibilities. As I said, all that will take time to bed down. I see no case whatever for any movement ahead of the Richard commission timetable of 2011 and we shall have to see what happens after that.



I would say to the hon. Gentleman that it is very dangerous in the current mood and context, in which Governments—all Governments—find it difficult to win referendums on whatever issue, to overlay commitments to holding referendums. We could do worse than reflect on the referendum in the north-east of England. We were told, and many of us faithfully believed, that there was support for such a referendum. I also remind the hon. Gentleman of the all too painful experience of many of us, including himself, in 1997. Before the 1997 referendum—only a couple of days before—I recall that the opinion polls showed, as they had consistently throughout the campaign, that the yes vote was about 2:1 ahead. What happened on the day? It was a narrow, hair's-breadth victory for the yes side. In 1979, there had been a 4:1 defeat for the idea of having an assembly. We must therefore be very careful on this matter of referendums.

It is not a question of me imposing obstacles in the way of further referendums. It is right that we in Westminster are aware of a clear two-thirds majority in the Assembly in favour of having primary powers—if or whenever that might be in the next decade—but we should also recognise that Parliament has the final say. After all, Parliament is the sovereign body of the United Kingdom. It is not a question of imposing barriers, but of finding a sensible way forward.

As to stopping candidates from standing in both electoral categories, I realise that the hon. Gentleman has a problem because many Assembly Members were elected on a list basis. I do not mind electing people on that basis. However, the Electoral Reform Society—an independent body, though stuffed full of Liberal Democrats, I might add—argued that it was unfair and questioned the integrity of that system.

Paragraph 3.16 deals with order-making powers, but it is not a question of allowing Parliament a veto. Presently, the Assembly makes a bid to the Secretary of State for certain legislation and Parliament has the deciding voice in establishing what goes into the legislative programme. It is clear in the paragraph that Parliament will retain the deciding voice in establishing whether a bid should proceed. A clear and convincing case will be well received in Parliament, so I hope that the hon. Gentleman will support the White Paper.

Julie Morgan (Cardiff, North) (Lab): I welcome the White Paper and believe that anyone in favour of further powers for the Welsh Assembly should support it. I want more primary legislative powers for the Assembly, but I also believe that the Secretary of State is right to be cautious about a referendum, which can so easily be hijacked by other issues. I also support the changes to the candidate arrangements. In both Assembly elections in Cardiff, North, the Conservative candidate was defeated by the Labour candidate, but subsequently got in through the list system. There has been considerable confusion among members of the public in Cardiff, North, who cannot understand why someone who was defeated should be allowed to enter the Assembly. It will be interesting to see—

Mr. Speaker: Order. I always dislike interrupting the hon. Lady, but she is telling us what she likes rather than asking a question. Strictly speaking, she is allowed only one supplementary question, so the Secretary of State should now reply to what she has said.

Mr. Hain: I thank my hon. Friend for her support. I shall deal specifically with the important point that she made about the list system. Particularly in the light of the beneficiaries of this hybrid system, it has been a matter of controversy. In Cardiff, Central, a candidate was elected on the basis of just 8.7 per cent. of the vote. In Caerphilly, a Conservative candidate was elected on just 10.1 per cent. of the vote; and in Clwyd,

West, a Liberal Democrat was elected on a mere 7.9 per cent. That is simply indefensible. Candidates should stand in one category or the other, not both.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I thank the Secretary of State for his courtesy in sending me an early copy of the White Paper. It states in paragraph 1.26 that there is no consensus in respect of full legislative powers. Is he aware that a recent BBC poll showed that 64 per cent. of the people of Wales were in favour of full legislative powers for the Welsh Assembly? How will he determine when consensus has been reached and on what criteria will he base his judgment? Will he confirm that all requests for legislation from the Welsh Assembly will be subject to veto by this House and the other place?

As a democrat, is the right hon. Gentleman comfortable with the notion that the referendum trigger could be negated by the unelected other place? Has he considered what will happen if an Administration takes over in Cardiff that is of a different colour from the one here?

Mr. Hain: That is very unlikely, given the Labour party's massive popularity in Wales and in Britain as a whole. The hon. Gentleman asked about my statement that no consensus exists in respect of full legislative powers. Like him, I am a practising politician in Wales. Many of his Plaid Cymru colleagues are demanding a referendum this year, but he cannot argue seriously that that can be won without the support of Labour. As I said earlier, the Labour party in Wales, Plaid Cymru and the Liberal Democrats all supported a yes vote in 1997, when only the Conservative party really opposed that. Even so, there was only a hair's breadth margin of victory. It is for all parties to determine, on a cross-party basis, whether a consensus on this matter exists and we must make that judgment as the process unfolds.

The hon. Gentleman asked about the BBC poll showing that 64 per cent. of people in Wales favoured primary powers for the Welsh Assembly. I remember what the polls said only days before the vote of September 1997. They reported a majority of almost exactly two to one in favour of the proposal. I advise him not to believe polls: he should trust the people when it comes to how they are likely to vote and make a serious judgment on that basis. We trust the people, and that is why we are putting these proposals forward and setting up a post-legislative referendum. If a consensus existed, that referendum would trigger primary powers for the Welsh Assembly.

On the House having a veto on requests made by the Assembly, I remind the hon. Gentleman that the House already has that power. Parliament can refuse to take forward or pass a Bill requested by the Assembly under the present arrangements.

Adam Price (Carmarthen, East and Dinefwr) (PC): That is the problem.

Mr. Hain: The hon. Gentleman says that that is the problem, but he wants to take Wales out of the UK. That is Plaid Cymru's problem. He does not like the fact that we are proud to belong to a united United Kingdom. That is where Wales belongs. The experience of devolution over the past eight years has lanced the boil of nationalism and independence and consigned it to the dustbin of history. That is why Plaid Cymru lost votes at the general election. The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) asked whether the House of Lords could negative a decision. From time to time, it has negated all sorts of decisions arrived at by this Labour Government. That is one reason why it needs to be reformed. However, it would be very unwise of the House of Lords to override the House of Commons in respect of the legislation that will follow this White Paper, and to seek to deny what the people of Wales have asked for. I do not think that the problem is likely to arise but, if it did, the Parliament Acts could come into effect.

Mr. Jimmy Hood (Lanark and Hamilton, East) (Lab): I welcome my right hon. Friend's statement, particularly his proposals on the regional list system. Has he spoken to the Secretary of State for Scotland about these matters? I certainly hope that, where he leads, the Scottish Secretary will follow.

Mr. Hain: My right hon. Friend the Secretary of State for Scotland enthusiastically supports this White Paper, as do all other members of the Cabinet. I have enjoyed very constructive discussions with him.

Mr. Roger Williams (Brecon and Radnorshire) (LD): When will we have a Secretary of State for Wales with enough backbone to stand up for Wales and its people, so that we can be a fully fledged nation within the UK? When will the right hon. Gentleman stop hiding behind woolly compromises and referendums as protection against his Back Benchers? Should he not be bold and support in full the recommendations of the Richard Commission, like so many people in Wales?

Mr. Hain: It is quite fun to have a woolly Liberal asking me woolly questions—

Lembit Öpik: The right hon. Gentleman used to be one.

Mr. Hain: I rejected all that woolliness, and that is why I came to the Labour party, where all true radicals should be. From his question, I assume that the hon. Member for Brecon and Radnorshire (Mr. Williams) is of the same mind as the hon. Member for Montgomeryshire (Lembit Öpik), the leader of the Welsh opposition, and that he opposes a referendum on primary powers for the Welsh Assembly.

Mr. Roger Williams *indicated assent.*

Mr. Hain: The hon. Gentleman is nodding, which means that another Liberal Democrat Member opposes the principle behind a referendum. He just wants to railroad Wales into assuming primary powers, even when he knows that no consensus exists and that it goes against the policies of the leader of the Liberal Democrats in the Welsh Assembly.

Mr. Wayne David (Caerphilly) (Lab): My right hon. Friend will agree that an electoral system that allows a candidate to lose yet nevertheless win is morally wrong and politically bankrupt. Does he also agree that changing the system will enhance no end the status of the Welsh Assembly in the eyes of the people of Wales?

Mr. Hain: I strongly agree with my hon. Friend, who always speaks common sense.

Mr. David Jones (Clwyd, West) (Con): I spent long enough in the Welsh Assembly to feel entitled to express an opinion on this matter. The Secretary of State's catalogue of success does not include the fact that patients in my part of Wales have to wait five times as long for orthopaedic surgery as patients in England, even though they pay exactly same rates of tax and national insurance contributions.

Why will the Secretary of State not give the people of Wales a referendum on what he admits is a major constitutional change? He is proposing to give enhanced legislative status to the Welsh Assembly, so why will he not put that to the Welsh people in a further referendum?

Mr. Hain: I welcome the hon. Gentleman to the House and hope that he can represent his constituents at least half as well as his distinguished predecessor, Gareth Thomas.



The enhanced order-making powers proposed in the White Paper are within the existing devolution settlement. They require primary legislation that we will introduce later this year or early next, with a view to gaining Royal Assent in 2006 in time for the 2007 elections. The new powers would therefore come into effect at the start of a new Assembly term. They do not require a referendum, but a move to primary powers for the Assembly would. That is a radical departure from the policy endorsed in the 1997 referendum.

Mr. Jones *indicated dissent.*

Mr. Hain: The hon. Gentleman shakes his head. I am surprised that he and the Liberal Democrats appear to deny what is an elementary fact.

Chris Bryant (Rhondda) (Lab): I broadly welcome the plans announced today, although I am nervous about one element, which exposes a flaw in the legislative system here. Going through the Order-in-Council process means that we will have no way to amend proposals. That is important, because that means that the proposals will go through the House in a unicameral way.

The proposals emanating from the Welsh Assembly will be debated for one and a half hours in this House, and again in the House of Lords for the same amount of time, but there will be no opportunity for us to amend them. Will the Secretary of State talk to his successor as Leader of the House to determine whether there is any way to allow time for a longer debate, with some capacity to amend? I realise that the House's Standing Orders would have to be changed, but the improvement that I propose would be significant.

Mr. Hain: I can reassure my hon. Friend that there will be a period for pre-scrutiny before the Order in Council is laid. It is not for me, as Secretary of State for Wales, to decide the appropriate form of scrutiny. I envisage that as a matter for the House to decide, when hon. Members will have the opportunity that he seeks. They will be able to test the arguments, determine whether there is any case for amendment and then discuss the matter with the Welsh Assembly. In any case, my hon. Friend the Under-Secretary of State for Wales will confirm that the present practice is that Welsh Assembly bids in respect of legislation or of clauses in an existing Bill are discussed by the Secretary of State, his ministerial team and the Assembly. There is no question that we accept everything that is asked of us. All

requests are tested, and both Houses will have the opportunity to do that. I think that that meets the point raised by my hon. Friend.

Mr. Paul Keetch (Hereford) (LD): Will the Secretary of State put on record today his understanding that communities on the English side of the Welsh border can be profoundly affected by decisions of the Welsh Assembly on the provision of services, including in respect of rail, flooding and health? Given that, understandably, those communities do not have a direct voice on the Welsh Assembly, will he listen to the concerns of English Members of Parliament wishing to represent our constituencies on decisions taken by the Welsh Government that have profound effects in our constituencies?

Mr. Hain: Of course I will, as will my hon. Friend the Under-Secretary. I share with the hon. Gentleman the fact that I am a Member of this Parliament, the sovereign body of the United Kingdom. We will take up any issues that he seeks to present to us.

Mr. Alan Williams (Swansea, West) (Lab): I welcome the step back from primary legislation. Does my right hon. Friend agree that, had we gone in that direction, it would

have led to an inevitable demand—as it did in Scotland—for a reduction in the number of Welsh MPs? Whatever increase in power may be given to the Assembly, it could not compensate for the loss of power here in Whitehall.

Mr. Hain: I agree with my right hon. Friend, who makes his point well. I am grateful for his support for the White Paper. It is important that the people of Wales continue to have strong representation in the House of Commons, because it is vital for their interests. If this proposal is carried through—even if a referendum triggers primary powers at some future point—there would be no case for reducing the number of Members of Parliament for precisely the reasons that I have explained.

David T.C. Davies (Monmouth) (Con): Does the Secretary of State agree that the changes that he proposes to the electoral system—a system that he fully understood when he suggested it in the first place—amount to nothing less than a flagrant attempt at gerrymandering to make it harder for Opposition parties to get elected? It is the Mugabisation of Welsh politics and, given his background, he should know better. Given the fact that the Welsh Assembly has been a monumental failure that has led to higher health waiting lists, school closures and council taxes going through the roof as the result of the misuse of money by local authorities, it has never been more important for us to have a strong opposition to what Labour is doing in the Assembly.

Mr. Hain: I was going to welcome the hon. Gentleman to the Commons, but after that little rant I am not sure that I should. However, I am pleased to do so. I just do not agree with him. It is interesting to see Conservative Members wriggling on this issue when their candidates are defeated by the electorate but are then parachuted into the Assembly. I do welcome the official name that the hon. Gentleman has adopted—T.C. is Top Cat. As the ditty goes:

"Top Cat, the indisputable leader of the gang . . .
Yes, he's the chief, he's the king,
But above everything,
He's the most tip-top, top cat."

He has my vote in a bid for the leadership of the Tory party.

Ian Lucas (Wrexham) (Lab): I welcome the measured approach taken by the Government in the proposals and I am convinced that my constituents also want a measured approach. We have already heard of the importance of the effect of decisions of the Assembly on England, and of course there is a closely integrated system in operation. My right hon. Friend will be aware that I have long championed the cause of Back Bench joint committees of Assembly Members and Members of Parliament. Will they continue to have what I consider an important role: ensuring that the views of parliamentarians continue to be taken into account when policy is formulated?

Mr. Hain: I welcome my hon. Friend's support for the White Paper. I know that it is a source of great frustration to Welsh journalists that there is such unity across the Labour party and, indeed, the people of Wales on these proposals. As my hon. Friend knows, during the pre-legislative scrutiny of Welsh Bills, our Select Committee has the opportunity to meet jointly with the relevant Assembly Committee and to take evidence. That is positive. We will have to consider carefully whether joint committees beyond that system would be a good idea, because it is important that the processes of the House are not reformed without a clear idea of our direction.

Jenny Willott (Cardiff, Central) (LD): How does the Secretary of State plan to consult as broadly as possible across Wales on the proposals? By consulting as many people as



possible, he might get a better idea of current support for giving the Assembly greater powers, because there is some dispute about that in the House.

Mr. Hain: I welcome the hon. Lady to the House. The White Paper is published today and the closing date for consultation is 16 September. Anybody in Wales can get hold of a copy and make their views known and, of course, we will take account of that. However, we have a general election manifesto commitment behind the White Paper and the Bill that will follow in due course. Therefore, we have a mandate from the people to follow that policy, including—despite the bleats from the Conservatives—ending the ability of candidates to stand in both categories. We intend to take our Bill forward, but I must ask her why she is afraid of a referendum on primary powers. That does not seem to me to be a very Liberal Democrat policy.

Mrs. Eleanor Laing (Epping Forest) (Con): Will the Secretary of State confirm his answer to the hon. Member for Lanark and Hamilton, East (Mr. Hood)? Does the Secretary of State for Scotland really agree with the proposals that the Secretary of State for Wales has made today? Is he aware that what he has said today on behalf of the Government could have severe implications for voting systems in Scotland?

Mr. Hain: I do not accept that. I can confirm that my right hon. Friend the Secretary of State for Scotland is behind these proposals, which are for Wales, not Scotland. The present electoral arrangements in Scotland are different from those in Wales and so are the powers and, in fact, the whole devolution settlement. Therefore, what we do in Wales does not prejudge anything that might come from the independent commission—which my right hon. Friend set up—that is considering electoral arrangements in Scotland. The point about devolution is that things can be done differently in the different nations of the UK. That has already happened in the past six years and can continue to happen in the future. I am sure that it will.

Angus Robertson (Moray) (SNP): Does the Secretary of State accept the similarity between Scotland and Wales in that both have candidates who stand for both a constituency and the list? They include the Labour Minister for Education and Young People, Peter Peacock, who was soundly beaten into third place in the SNP-held seat of Moray but elected through the list. The Secretary of State describes that as indefensible in Wales, but is that also the case in Scotland? If the Secretary of State for Scotland agrees with him, what are the plans for Scotland?

Mr. Hain: We know what the hon. Gentleman's plans for Scotland are—he would give independence to Scotland. Is he saying that Scotland should follow exactly what Wales does? If so, it is a new policy for the SNP—and a very interesting one.

2 Statement by The Rt Hon Rhodri Morgan AM, First Minister on the White Paper, 'Better Governance for Wales' in the Assembly 15 June 2005

National Assembly for Wales, Record of Proceedings, 15 June 2005

The First Minister: Earlier today, the Secretary of State for Wales made a statement in the Commons on the publication of this White Paper. I understand the Wales Office is making arrangements for all Assembly Members to receive a copy. A Bill will be introduced towards the end of this year or early next year to give effect to the proposals in the White Paper. The White Paper confirms proposals to bring about the legal separation of the governmental and legislative arms of the National Assembly. The Assembly took steps three years ago, within the confines of the Government of Wales Act 1998, to distinguish between the governmental roles of Assembly Ministers and the legislative and scrutiny roles of Assembly Members.

However, as long as the Assembly remains, in law, one corporate body, that crucial distinction will be blurred. The proposals in the White Paper will achieve that separation. Everyone in Wales is already aware of that distinction because it is evident in the way we are governed on a UK basis. The people of Scotland also see it in action in their Parliament, but it is not yet in effect in Wales. The consequence of those changes would be that Assembly Ministers, like their UK and Scottish counterparts, would hold office on behalf of the Crown. The First Minister, whoever he or she will be, would be nominated by the Assembly, but would hold office on the same basis as the Prime Minister or the Scottish First Minister, by Crown appointment.

With Her Majesty's approval, the First Minister would appoint Ministers and Deputy Ministers who would also hold office under the Crown. The staff working for them would remain part of the civil service. Separation will mean that the executive functions, which at present are legally the responsibility of the Assembly as a whole, and exercised by Ministers on behalf of the Assembly only through delegations, will in future be the responsibility of Assembly Ministers. Ministers will be accountable to the Assembly for the exercise of those functions and scrutinised by the Assembly in that regard. The National Assembly for Wales itself, namely 60 AMs, will become closer in structure and functions to the UK and Scottish Parliaments.

In terms of structure, the Assembly will have far greater freedom to determine its own working procedures. Most of the detailed requirements for committees specified in the Government of Wales Act 1998 will be repealed, and it will be for the Assembly to decide which committees it wants to establish and what their remits should be. The Assembly will employ its own staff, in the same way as other parliamentary bodies. On the Assembly's functions, the second part of the White Paper concerns the strengthening of the National Assembly's legislative powers. It sets out clearly three elements.

The first of these has immediate effect from today and does not require a Bill to bring it into effect. That is a commitment to make the Welsh element of any England and Wales Bill on devolved matters as flexible as possible in terms of the powers conferred on the Assembly. From now on, such Bills will be drafted as framework Bills, giving the Assembly as much latitude as possible to determine the exact shape of implementing legislation in Wales. The second element needs the provisions of the Bill to bring into effect the mechanism for Parliament to confer on the Assembly the authority to legislate in specified areas of policy.



When the Assembly Government makes a formal request for a power to legislate in an area within the limits set out in the Bill, that request would then be a matter for the Secretary of State and parliamentary consideration, under procedures to be laid out in the Bill. If the request is approved, an Order in Council would be made and the Assembly would then be able to exercise the legislative powers delegated to it. The Assembly would then no longer depend on a mention in the Queen's Speech to deliver legislative changes needed for the benefit of people in Wales. With the authority of an Order in Council, the Assembly itself will be able to debate and approve legislation that would previously have been the preserve of the Houses of Parliament. The proposals establish a new and better balance between the Assembly and Parliament over the authority to legislate for Wales. What I have described will allow the executive and legislative branches of this Assembly to deliver for the people of Wales. However, the White Paper also proposes that the Bill should include provision for a post-legislative referendum on primary legislative powers so that if, at some future time, there is still concern that we do not have all of the tools necessary to do the job, the people of Wales can be asked their opinion on that matter. Finally the White Paper proposes an end to the situation whereby candidates for the Assembly can simultaneously stand for election both in a constituency and on a regional list.

The changes described in the White Paper, in particular the separation proposals, will require fundamental changes to the Standing Orders of the Assembly. The White Paper proposes that the Secretary of State should have the power to make a set of reformed Standing Orders, on the advice of a committee. I am sure, from the spirit in which we have worked to reach this point, that he will be willing to listen to any representations proposing that it should be a committee of this Assembly that prepares those Standing Orders and this Assembly that adopts them. He may need fallback powers so that he can be absolutely sure that reformed Standing Orders will be in place before the next Assembly elections. I think that that is a reasonable way forward.

I have taken this first opportunity to draw the proposals to the attention of Members. The changes proposed will be incremental and not fundamental. They will be available in principle for the use of the next Assembly in May 2007. They remove the current anomalies. They are based on the principle of what is practical rather than running too far ahead of public opinion in Wales. They do not exclude fundamental change in the medium or long term, but they make such change subject to a referendum.

There will be a further opportunity to discuss the White Paper's proposals in the debate on the Queen's Speech next week. I have also tabled a motion signalling our intention to establish an advisory committee to consider the legislative proposals for reform of the National Assembly for Wales. I therefore commend the White Paper for the Assembly's consideration.

Ieuan Wyn Jones: I should like to thank the First Minister for this statement. There are some elements in the White Paper which we can welcome: the first is that we have argued, as has the First Minister and others, that the governmental and legislative arms of the Assembly need to be split, and we are pleased that those proposals are included in the White Paper. I also welcome some of your comments regarding committees—that it is a matter for the Assembly to decide which committees are appropriate, and not a matter for legislation. There is also a strengthening of the scrutiny powers, as Ministers will not necessarily be members of the committees.

However, on the matter of Assembly's powers, the White Paper has lost a significant opportunity. I completely disagree with the Secretary of State's statement that there is no consensus on the matter of full legislative powers for the Assembly. There is a



consensus, and that consensus was contained in the Richard commission report; that body was unanimous about that need after taking evidence for 18 months. At the beginning of the process you supported this, but for internal reasons to do with the Labour Party, rather than the needs of Wales, you have moved away from that.

We oppose the idea that Members have to choose between standing in constituencies and standing on the list—that is an internal Labour Party issue; I have not heard of a single person who is hostile to the idea that people can stand on both sides. Some Members of your own party may wish to see that situation change.

As I have indicated, we welcome a number of issues in the White Paper, but the fundamental reason for it was to set out a vision for the future of this Assembly in relation to primary law-making powers. To the extent that it is falling short, it falls short on that vision which was set out quite clearly by the Richard commission. I do not accept this view put forward by the Secretary of State and the First Minister that there is no consensus on that in Wales. There is a clear consensus in Wales to move forward to that proposal.

I will now deal with some of those issues in a little greater detail. Your first point is that the new streamlined procedure—which some people called the 'fast-track procedure', but which the Secretary of State now calls 'the streamlined procedure'—is to enable Westminster, on an Order in Council, to introduce legislation at the behest of the Assembly.

The problem with that proposal is that the Secretary of State will have a veto on that Order in Council. Parliament can vote it down if it wishes, and the Secretary of State can say that he does not wish that proposal to be put forward. While that proposal might be all right if you have a Government of the same persuasion in London, I can foresee all sorts of problems if you have governments of different persuasions in Cardiff and in London. What guarantees can you give, First Minister, that the will of the Assembly will prevail?

You have referred to the fact that there will be a trigger for a referendum if this mythical consensus, which you do not appear to accept at present, arises in favour of moving to the next step. In this White Paper, I cannot understand why it would take a simple majority in Westminster to trigger that referendum, but that it would take two-thirds of Assembly Members, for some reason, to do the same. Why can those elected to Westminster be trusted in a simple majority, but that those elected to the Assembly would need a two-thirds majority to enable that to happen?

Therefore, will the First Minister revisit that proposal and say that he would favour a simple majority in the Assembly to trigger that referendum? I would want to see that happen much sooner than envisaged by the Secretary of State. The First Minister has not set out an agenda for that, but the Secretary of State says that he does not want to see it happen until 2015. I would welcome the First Minister's response on where he stands on that basic issue.

Finally, I have two detailed questions for the First Minister. First, how will the Assembly take part in the consultation on the White Paper; and secondly, when the Bill is introduced in due course, what level of scrutiny will there be in the Assembly? The proposal, insofar as the consultation period is concerned, is that a committee will be set up under Standing Order No. 8.1 which is the Standing Order used for other all-party ad hoc committees. How does the First Minister intend that committee to operate? Will it be able to take evidence, invite witnesses to give evidence, and will it look at proposals coming forward from outside the Assembly?



When that committee completes his work, will the First Minister then consider having a committee of Assembly Members which is wider than the Standing Order No. 8.1 committee, to scrutinize the Bill when it is eventually published? Will the First Minister place on record his support for that proposal? When it gets to that stage, it is necessary for more Assembly Members to be involved than would be on a Standing Order No. 8.1 committee.

The First Minister: I will first deal with this question where, I think, you have it in reverse in terms of the actual circumstances that the White Paper proposals are meant to address, namely, are these proposals sufficiently robust to deal with a different colour of Government to that in Westminster at some future date? You say that they would break down at that point, and that they would only work if there was a Labour Government both here and in Westminster. I believe that you have the wrong end of the stick on that important point.

This is where life gets very difficult for me, but—I am going to have to squeeze these words out under duress—picture a Conservative Government being elected. I managed to get the words out, as you have to, sometimes, for the good of Wales. Picture the scenario: a Labour administration in the Assembly making a bid for primary legislation to be included in the Queen's Speech, and a Conservative Secretary of State taking it through Parliament. To my mind, that will not happen because a Conservative Secretary of State will have to take a Bill through Parliament and defend it while probably disagreeing with every clause. So, I cannot see that happening.

Under these proposals a Conservative Secretary of State could say, 'Okay, I do not agree with the proposals, but, then again, I do not have to defend them because this is a matter for the Assembly to deal with'. We would then agree that it would be a matter for the Assembly to take through, and, therefore, there would be a far greater chance of legislation being introduced by us, with Parliament's permission—with a Conservative majority in the scenario I mentioned—than there is under the present system. So, it is a major improvement in robustness to deal with that transposition, if you like, of a Labour administration in the Assembly and a Government of a different colour in Westminster. Therefore, you have the wrong end of the stick completely on that.

The second question is on the issue of the two-thirds trigger in the Assembly, with only a bare majority in the House of Commons. This seems perfectly sensible to me because you are testing the consensus in Wales. If there is strong consensus, Parliament, with its Members mostly coming from outside Wales, only has to say whether it disagrees with that consensus. Again, you could say that it ought to be 51 per cent here and 51 per cent in Parliament in order to have parity, but it is not really like that. We represent the people of Wales only, while Parliament represents 20 times more people than we do. Therefore, it only has to ask whether its Members accept the consensus, based on a two-thirds majority of the people of Wales.

On the question of what a committee ought to be doing here, I think that the primary purpose of an advisory committee is to co-ordinate all the different internal aspects of the Assembly's response. The House Committee, the Legislation Committee, and possibly other bodies, would have a view, and someone must co-ordinate that, because this cannot go through a subject committee. I am open-minded on whether it should go beyond that, because we have to work out how, during this four-month consultation period, the views of the Welsh people are best solicited. I am completely open-minded on how we do that. We can return to this, and, as I mentioned in my statement, there will be an opportunity to do that during the debate on the Queen's Speech next week.



You mentioned your opposition to the changes to the electoral system. All that we are trying to do is to assist the people of Wales by having a clear voting system. You cannot describe as satisfactory a system where the phrase, 'I am your local AM' can mean one of two things. It can mean, 'I am the candidate that you rejected' or 'I am the candidate that you elected'. It cannot be right that those phrases could have exactly the same meaning. Voters are not going to be happy at that. They are currently confused, and anything that we can do to reduce that confusion will benefit democracy.

With regard to leuan's other questions whether this is a missed opportunity, we must turn to the comparison between the recommendations of the Ivor Richard commission and the proposals in the White Paper. The main elements of the Richard commission's recommendations are contained within the White Paper, but they are set out step by step. The first and furthest step is the condition that the support of the people of Wales is shown by means of a referendum, while the other would be achieved far earlier than anything proposed by the Richard commission, and available for the third Assembly which will be elected in less than two years' time. Therefore, there is an element of practicality, of speeding up the process of providing enhanced powers, which is practical, and a new deal between Parliament and the Assembly on something that has been achieved and which is ready for use by the third Assembly—whoever is elected then.

Finally, I thank leuan for welcoming some of the elements, such as the separation between the Executive and legislative arms of the Assembly.

Nick Bourne: I thank the First Minister for his statement on this important event of the publication of the White Paper. I pick up where the First Minister has just finished by referring to the issue on which we all agree—I think that there has been unanimous agreement on this in the Assembly—namely the need to separate the Executive and the legislative functions of this body. We did not need the Richard commission to do that for us because we were all agreed on that. Nevertheless, I welcome that, and we welcome that part of the White Paper.

The proposals for electoral arrangements are totally different from anything that appears in the Richard commission report, because the Richard commission did not raise this as an issue at all. The commission, having taken a considerable amount of time and having cost a fair amount of money, does not mention this, nor was it ever breathed about in the Labour Party when it was introduced, nor when the First Minister was elected via the list—admittedly, not via a constituency as well, because it was too late to find him one.

Let us consider this, before you sacrifice Alun Pugh, Tamsin Dunwoody-Kneafsey, Jane Hutt and Sue Essex. Even on the grounds of enlightened self-interest, this is not sensible. However, the First Minister says that there is confusion among the Welsh public about the electoral system. I have tabled a question to the First Minister—and I have not yet received a response—asking him to disclose all the correspondence indicating that there has been confusion on this issue, because I do not have such a low opinion of the Welsh electorate as to believe that there has been any confusion at all. This has been an exercise to keep the Labour Party together.

I watched Peter Hain delivering his statement in another place and saw that this proposal was the only part of the statement that was cheered by Labour Party members and got them going. There is an idea that this would somehow dilute the potency of the opposition parties. However, the First Minister should look around him—it could well be that this is not in the Labour Party's interest either. It is certainly not in the interest of the better governance of Wales. As I have said before, it is malicious, malevolent and spiteful. I do



not believe, because the First Minister is none of those things, that, in reality, his heart is in this proposal.

Many people canvassing for the Labour Party were telling voters in the constituencies of Members that I have just mentioned that they could have not just Alun Pugh, but Brynle Williams as well, and that, elsewhere, they could have Jane Hutt and David Melding. That is how the election was conducted on the doorstep by many Labour Party canvassers. [Assembly Members: 'Oh.'] Just as in the House of Commons, this is obviously the section of the White Paper that most excites the Labour Party, but perhaps not all of its Members.

I move on to the important issue of the future governance of Wales and the proposals contained in the White Paper. There is no long-term stability in the present settlement, and perhaps we all agree on this. We have to move forward, or abolish the institution. My views are well known—I do not believe that we should abolish the institution. However, there is a range of opinions, and there is a range of opinions in my party. Goodness knows, one of my Assembly Members, who is still an Assembly Member, may have gone a little bit native now that he has gone to Westminster. He may not be the strong supporter of devolution that he once was. However, these opinions cut across parties; they cut across the Labour Party. Peter Hain is not convinced. Indeed, he is convinced that there would not be a 'yes' vote if there were a referendum. That is one reason, and it seems to be the prime reason, why he does not want one. If that is the case, there has to be a substantial body of opinion in the Labour Party that would not support that, otherwise he could say with certainty that this would go through.

Therefore, let us acknowledge the truth out there, which is that there is a division of opinion in Wales, but, for heaven's sake, do we only have referenda when we are confident of the result? Perhaps Peter Hain has been speaking to Jacques Chirac and been greatly influenced. However, to be fair to the Prime Minister, when he said that there would be a referendum on the constitution of Europe, I am sure that he realised that that was not in the bag. You have a referendum and you seek to convince people of the rightness of a particular case. If you only have them when you are certain of the decision, there is not much point in having them. That is an extraordinary view of democracy, and it is lucky that we do not apply the same rule to general elections, but perhaps that is in Peter Hain's mind.

To return to the issue, we need a referendum. Peter Hain said in his statement that he did not anticipate that happening. At the very earliest, it would not happen in the next Assembly and, even if it did, he thought that it would be a very slow process. I believe, as was envisaged by the Richard commission, that this should happen no later than 2011, and there should be a range of options. We need legislative powers, but this is too important an issue for politicians to determine. It cuts across political parties and it must be left to the people of Wales to decide. We must make the case for what we believe in—I believe in legislative powers while others do not. This interim measure is nothing but a fudge and a sticking plaster to keep the Labour Party together. I know that because I heard the First Minister say in his response to the Richard commission report—which was a good and strong response—that this is not what he believes in. When he heard the proposals, his instinctive reaction was to welcome them and say, 'Let us run with this particular baton'. His position has changed. I would welcome, therefore, his reaffirmation of where he stands on this issue. I would also welcome his looking at the issue of the proposals for electoral arrangements in particular, which will not aid the good governance of Wales one jot.



The First Minister: I noted your words about Conservative attitude to legislative powers. You said, 'I believe in legislative powers while others do not'. Presumably, you are referring to others in the Conservative Party, and you mentioned our absent friend, David Davies. It seems that what you are saying is that you want a referendum to avoid having to settle Conservative policy on devolution. That is a wholly inappropriate use of referenda. As regards what Peter Hain said about having a referendum, it seems perfectly logical to me. If you are making new arrangements that give additional legislative powers and strike a new bargain between the Assembly and Parliament ready for use by the third Assembly elected in early May 2007, you should at least give one term of experience to those new arrangements in 2007 before you start contemplating a further referendum on major change any time after 2011. I believe that he said 2015—which is two Assemblies—but he is open-minded about that. It is up to the Assembly to consider whether it believes that we still do not have the tools to do the job. I am also inclined to think that two Assemblies under the new arrangements would be more logical, but you do not rule out an Assembly generating a proposition for a referendum at any time that it chooses to do so, if it believes that the consensus exists.

You made many interesting points about referenda, including the recent one in France, and Tony Blair's view and so on. The ironic point about referenda is that they are always reserved, not in Ireland, but here, on constitutional changes. If there is one thing that bores the UK general public rigid, it is constitutional change. You are asking people to vote in large numbers on something that bores them rigid—the details of constitutional change. If it is a massive change that determines who we governed by and whether we have an assembly or enter the European Common Market—although that referendum was two years late—that is fair enough because that is about who you are governed by. However, on matters of constitutional detail, I do not believe that the public wants to get involved in referenda because it is more interested in the issues that arise in general elections and Assembly elections, namely public service delivery, economic growth, jobs, mortgage rates and so on.

During your impassioned plea for no change to the voting system, Nick, I noticed that you did not address the point that I raised. It is possible for defeated candidates—it happens all the time—to describe themselves as local Assembly Members. The person who was elected as the local AM is the local AM, but defeated candidates can also call themselves the local AM. I noticed that you did not address that, and I presume that that is because you do not have an answer to it. If you do not have an answer to that point, then you are not in a position to put forward an effective opposition to this sensible change that clarifies the issue of who the real local AM is for a particular area. Only one person is really elected as the local AM. Unfortunately, others can continue to describe themselves as such.

You have mentioned the corporate body split, and I am grateful for your support for it. On the other general issue about what was in the Richard commission's proposals, you must remember that the proposals also involved an increase from 60 to 80 AMs that would, in turn, mean a change in the voting system to the single transferable vote, as well as boundary changes to accommodate the constituencies of 80 AMs. If all that is involved, it is a pretty major change—the kind of change that bores people rigid. I believe that we should be getting on with something practical that is far more in tune with Welsh public opinion.

Michael German: I am grateful for the statement, although I am currently a little confused about your attitude towards referenda, because it seems to me that you are suggesting that referenda are a bad thing that should be used very sparingly, if at all. Perhaps that has coloured your judgment on the whole issue, and you may like to explain that attitude.



When we set up the Richard commission, the idea was that it would set out a route for us to take in order for the Assembly to deal with the division of interests between the Westminster Parliament and the National Assembly. It came out with a clear view, proposing a two-stage process. Stage 1 is that this Assembly would build up capacity—and you reminded me that you answered questions on the matter yesterday—and the second stage is that full legislative powers would be transferred to the National Assembly. It set out a timetable: 2007 for stage 1, 2011 for stage 2.

It seems to me that what has happened with the magic hurdle that you have managed to get into this White Paper, and which I will come to in a moment, is that that route map does not go on. It ends with a dramatic full stop with the end of the stage 1 process. The reason that it ends with that full stop is that you have engendered a massive hurdle. I ask you to cast your mind back to the 1970s referenda. You will know that the Scottish referendum at that time failed because MPs from the UK Parliament put in an artificial hurdle of two-thirds support. What did that do for the Scottish referendum, and the referendum and campaign for a proper parliament for Wales? It put the campaign back over 20 years. Two decades passed before the issue came to pass.

So, what we are to believe from the proposal in this White Paper is that we have stage 1, but, because of the hurdle that you have put in place—a hurdle that, in fact, means that, unless the Welsh Labour Party agrees to it, we are not going anywhere—we may be faced with nothing but your stage 1 proposals for decades to come. Admittedly, you have gone further in your stage 1 proposal than Richard proposed, and I welcome those moves. The period from 2007-2011 should and could be an exciting period for the Assembly, when it should be gearing itself up for the 2011 transfer that the Richard commission proposed.

Let us look at that second part of your proposal for 2007, and the proposal to use Orders in Council. Can you tell me what the paragraph on the breadth of Orders that could be proposed means? It is clear to me that you could have a situation in which the Secretary of State would not put forward an Order in Council if he believed it to be too broad. If 'breadth' means that you could legislate for any area concerned with, for example, restructuring the health service, or re-organising the education service in Wales in whichever way you wanted, we would clearly have the ability to write the legislation akin to primary legislation in another name in that period of time. If, however, the 'breadth' was written narrowly, in the terms of 'can produce an older person's commissioner for Wales', we are clearly talking about a much narrower definition of those powers. Therefore, clarity on what 'the breadth of Orders' means and how Parliament would deal with that request is essential. I would value your view on that matter.

In respect of the Alun Pugh/Tamsin Dunwoody-Kneafsey unemployment clause—and I must, of course, include Andrew Davies in this proposed unemployment clause, we believe that this is a spiteful way of dealing with it, simply because it is in the interests of only the Labour Party in Wales. Do you know that that proposal has been rejected by the Labour Party in Government in Scotland? That has been proposed and they have rejected it, so this is a proposal for Wales only, when Scotland has the same system. I noticed the difficulties that Peter Hain was having in answering questions from Scottish MPs on this matter. If the First Minister wants to see this system introduced, as he believes that it is absolutely essential to provide clarity, would it not be fair for him also to believe that that clarity was important for the Labour education Minister in Scotland, who was elected from the list having failed to win a constituency seat? Is it not also right for him? Perhaps you could tell your colleagues in Scotland whether it should be the same for them.



There are matters in your statement with which we broadly agree, First Minister. Obviously, the separation of the Executive and the legislature is an appropriate move, on which there is widespread agreement, as Nick Bourne has said. I find it slightly strange, however, that the new Standing Orders—and you referred to this in your statement—post 2007 are to be written by the Secretary of State. In your statement you proposed that he be advised by an Assembly committee. I commend that. That should be the case, but perhaps it should also be the case, as we will be able to amend them afterwards anyway, that they be written by the National Assembly in the first place. Perhaps you could explain to me the logic of having someone else write our Standing Orders when we have been in existence for that length of time. Of course, it would be perfectly appropriate for the Secretary of State to tell us the sort of things that he could enshrine in our Standing Orders to make them comply with the broader Government of Wales Acts that we will have in front of us.

In conclusion, it seems to me that the nature of the proposals in the White Paper has been hidebound by the needs and demands of those people who were sitting behind Peter Hain when he made his statement this morning, namely the Labour backbench Members of Parliament for Wales. I suspect that what we have seen today, instead of your ambition of primary legislative powers, the ambition of the Richard commission and what I believe was the ambition of Peter Hain underneath it all, is a surrender to the white flag that has been shown to be the Labour Members of Parliament on the backbenches at Westminster.

The First Minister: I do not agree with that last point at all. I think that it is an easy criticism to make. If you cannot think of an actual criticism, you simply say that this is in Labour's interests. We heard the same contradiction in what you were trying to say about not allowing people to hedge their bets by standing both on the list and for first-past-the-post seats. At one and the same time, you said that it would cause Alun Pugh, Andrew Davies and Tamsin Dunwoody-Kneafsey to become unemployed, but then you said that it was only in the interests of the Labour Party—both those propositions simply cannot be true.

On the issue of Standing Orders, I think that you may have slightly misunderstood my point. The description that I gave was of the White Paper, but we do not want to exclude the possibility of returning to this issue during the four-month consultation period. I think that there is quite widespread support for the logic of what you say, while it is clear that, if we totally fail to write Standing Orders, the Secretary of State would need some sort of fall-back powers to ensure that we have got some to kick off with. This would be a new Government of Wales Act, and we simply would not be able to use our existing Standing Orders. We can come back to the issue of whether they should be written by us or by the Secretary of State. I think that we probably have to agree—it is almost like the big bang theory of the universe—that there must be some starting Standing Orders if we fail to create them pretty quickly. Therefore, you must have some sort of fall-back power for the Secretary of State. At least, that is my view and I am sure that we can come back to that over the next four months.

You made some points about Scotland. Again, this is an area of huge concern in Scotland at the moment and they have the Arbutnott commission looking at all areas relating to future voting systems. Some interesting submissions have been made by the mainstream parties.

You made a point about the breadth or narrowness of the Assembly's legislative powers; if we vote on them, Parliament agrees them through Orders in Council. How broad or



narrow could they be? It is important to understand that, on the one hand, Parliament can refuse to give us those powers, but, on the other, if it does give us those powers, they will go wider than Henry VIII powers; they are Charles III powers, if you like, not Henry VIII powers.

They do not look back; they look forward, and they involve the ability to make new provision, as well as to amend existing legislation. However, the price for that is that Parliament can refuse to do it, so, to some extent, there would clearly be a lot of informal discussions at all times. If you do get them, they are as broad or as narrow as whatever you can negotiate with Parliament. Once you have them, they are incremental, because they would gradually build up quite an extensive area of freedom to manoeuvre for the Assembly. It is a deal, and it is a matter of striking a new bargain on who does what between Parliament and the Assembly.

You mentioned the question of the hurdle of a two-thirds majority in favour. Activating the referendum provision requires a degree of cross-party consensus here. You see it as Labour having a power of veto, but I do not see it that way at all. It is simply a matter of what is reasonable to activate a fairly major piece of constitutional change. People have different views on that. You want to go back to 1979, and you asked me about my views on referenda. As I have mentioned before, I do not like referenda because they are normally confined to constitutional change. I remember canvassing for the 'yes' side in Barry Island in 1979—I was a civil servant, so I could not do too much—and I recall the overwhelming sense when you knocked on doors in Dinas Powys and Barry was that people were utterly bored by it. They said, 'Why are you asking us this?', and they thought that it was a very boring question to be asked. You have a real problem with turnout, and people do not really vote on the constitutional questions that they are being asked. You do not ask them non-constitutional questions, but those are the questions that they want to be asked, and they are waiting for a general election.

The most important question that you asked was about making an adverse comparison with the Richard commission proposals. In some ways, what we have here is much better in that it is not the two-stage process referred to in those proposals, and which you mentioned. I welcome your support for the fact that the first stage is now bigger and better because it involves Orders in Council being wider than envisaged in the Richard proposals. The first stage is activated straight away—as of today. The framework legislation for all future parliamentary legislation within devolved fields on an England and Wales basis will have an in-built framework component. So, there are really three stages. The first is framework legislation, which is activated straight away; the second stage is Orders in Council, but subject to the Bill; and, subject to a referendum, a third stage happens at whatever point the Assembly can muster a majority of two thirds to activate the post-legislative referendum.

Leighton Andrews: Many of us on all sides of the Chamber were proud to have been involved in the referendum campaign in 1997, which delivered a 'yes' vote for devolution. However, it is Welsh Labour that has delivered the National Assembly for Wales; it is Welsh Labour that is now strengthening the powers of the Assembly and taking devolution forward. First Minister, do you agree that the first stage proposals outlined today in the White Paper would operate faster than the first phase that the Richard commission proposed, and that the fast-track proposals go further than the Richard commission proposed? Do you also agree that the White Paper identifies a clear route map to primary powers for the Assembly, if backed by the Welsh people in a referendum, which will be set out in the new Government of Wales Act? Is this not evidence that Welsh Labour is the party of practical, effective and popular devolution for Wales?



The First Minister: I agree, and I am glad that you made that point because opposition parties have tried to pretend that Labour is in business to veto legislation. In fact, Labour is the only party that has delivered devolution. The first attempt in 1979 failed, but the second attempt in 1997 succeeded, and, this being in Labour's manifesto, on which we achieved a historic third term with a working majority a month ago, I have no doubt that it can also be delivered. It is a matter of democratic accountability to the electorate; we do what we say we will do on the tin, as it were. We put it to a conference; if we get a majority support in a conference, we put it in the manifesto; if we win a majority in the subsequent general election, we activate what we said we would in the manifesto. That is basis on which I trust that, not only the House of Commons, but the House of Lords—which has a different party composition—will accept that, under the Salisbury convention, they are not going to oppose the implementation of this principle and all the main things covered in Labour's manifesto commitment. It is exactly the same with women's equality.

It is true that this Assembly is gender balanced. It is gender balanced because of what Labour has done to bring about gender balance, and we have carried the burden on that, if you like. It is exactly the same for devolution; we do not think of it, we implement it.

The Presiding Officer: As Members will have noticed, we have exceeded the time for this statement. Therefore, I appeal to the remaining five Members to ask succinct questions.

Jocelyn Davies: First Minister, the best test for your Orders in Council proposal is whether it will result in change that can withstand the icy wind that might blow from Westminster. You say that it will be robust, but does that not rather ignore the fact that you have been promising us broad framework legislation since 2000, and that, in five years, that has not happened once? These Orders in Council could be so narrowly drawn as to not allow the Assembly much discretion. Is this not, therefore, more about Labour avoiding the referendum that you know the people of Wales would vote for than about better governance?

The First Minister: No, and I do not agree with your analysis of the last five years. Higher education is a good point in case, as are the undertakings given with regard to smoking in the forthcoming Health Improvement and Protection Bill, which are exactly along the same lines. They will confer powers on the Assembly to make its own determination on smoking. With regard to your remarks about the principle of framework legislation, which is the stage 1, that is activated as of today, and then, for the design of all future England-and-Wales legislation, it will also make that a permanent character of Parliament, and how it frames England-and-Wales legislation. However, you are taking a negative view of what I said earlier about the comparison with Henry VIII powers. We always sought to ensure that, in the design of future framework legislation that did depend on the Bill, namely, the ability to confer the powers of Orders in Council, we should be regarded as a democratically elected body with its own scrutiny procedures and as rather more important than a Secretary of State having powers conferred through Henry VIII powers—and that is what we got. That is subject to the Secretary of State's having the right of veto, but, if the Secretary of State does not have the right of veto, or does not exercise that veto, then the powers here go further than Henry VIII powers. Henry VIII powers enable you to modify existing primary legislation to bring it into line with other primary legislation, and this proposal enables you to make new provision, as well as to do that. The proposal does, therefore, go further than Henry VIII powers, but it is subject to a parliamentary veto. Therefore you are giving away one bit, but you are gaining a lot more in return. If you read the White Paper again in greater detail, I think that you will accept that what I have said is the view that lawyers will hold with regard to what powers or rights are contained within the paper for the Assembly in the future.

David Melding: I will not pass any judgment as to whether these proposals will deliver enhanced legislative functions, but should they do so, do you agree that we must look at what is called the 'committee stage' of legislation in the Westminster system, and that Assembly committees will have to focus much more on the detail of legislation that comes before them?

The First Minister: It is a matter of line-by-line scrutiny. I entirely agree with that. It is not for me to determine Assembly procedures, particularly ones that will primarily involve backbenchers, if you like, and it will be of particular interest to opposition parties to ensure that we in the Government do not get away with anything and do not produce legislation that is not well-drafted. The art of line-by-line scrutiny will have to evolve, and I think that it will evolve in such a way as to make this place more exciting.

Kirsty Williams: Is it your intention to include a definition of 'local' in your Bill? Unless you do, the new system will not prevent hardworking list Members from calling themselves local Members. Also, can you explain to my constituents whether proposals banning smoking in public places and abolishing council tax could be delivered under your system? What is important to our constituents is what they will get from this new development. If we will not be able to ban smoking in public places, axe council tax or undertake other such measures, then it is all a waste of time.

The First Minister: I mentioned in answer to Jocelyn that we are absolutely confident that the Health Improvement and Protection Bill, which we expect to see published quite soon, will be on a framework basis. That is, it will confer the power to determine on the issue of banning smoking in enclosed public places on the National Assembly for Wales.

I had better write to you about the abolition of council tax—that is an interesting one—because I am not absolutely certain about that. We are awaiting the report of the Lyons review in December, which may propose replacing council tax with local income tax. I deprecate the Liberal Democrat habit of referring to the abolition of one tax, without referring to the fact that a new tax must be introduced to replace it, otherwise there will be no local government expenditure. The elections are over now, Kirsty. It might be to our convenience for it to be done in one Bill, and for us to have through that a power to keep council tax, to abolish it and replace it with a local income tax, or to have a hybrid system. We might want to do that separately in Wales, or do exactly the same as in England.

You make an interesting point about local Assembly Members. List AMs who have not stood in a constituency may be able to call themselves local AMs, but the candidates who were defeated in a constituency election will not. The confusion that currently exists in the elector's mind, because he or she thought someone defeated, so how can that person be the local AM, and who really is the local AM, will cease, and I think that will be of enormous benefit to confused local electors, who do ask who their local AM actually is.

Carl Sargeant: Proportional representation leads to extremist and minority parties being elected with as little as 5 per cent of the vote—those are not my words, but the words of Oliver Heald MP, the Tory shadow secretary for constitutional affairs. Is it not about time that a change was made to our voting system? In the Scottish Parliament, regional Members and list Members are clearly defined, and defined differently from first-past-the-post Members.

The First Minister: You are being unfair to the Conservative Party: that was its policy on Monday—it has probably changed since then.



The White Paper proposes a minor change in the proportional representation system to try to prevent confusion in the minds of the electorate as to who was elected and who was defeated. We have heard many passionate speeches on this—most often from Peter Law—and I have listened to them with great enjoyment. However, this is a minimal change to clarify the proportional representation system that we have for the Assembly.

Peter Law: I welcome the White Paper. It contains what the Labour Party and Peter Hain said it would last year. I do not see it as a glass half empty; it is half full. We should not damn it with faint praise. It is a move forward for Wales as far as devolution is concerned, and I say that as someone who has supported devolution since 1979. As I am now a Member in another place, I will do all I can there to enhance the powers of the National Assembly.

I am pleased that there will be legislative separation, and that people such as Deputy Ministers, who are nothing more than window dressing, will get some kind of respect, because no-one can justify what they do at the moment.

I will ask about proportional representation, which you have just referred to, about which I have spoken many times, and which I believe is a perversion of democracy. Although I do not believe that people should be elected to the Assembly through the back door—I would never support that—would you agree that the rejection of the Richard commission's suggestion of the single transferable vote is in the interests of Wales? I know that you have always been a big supporter of proportional representation, so I would be interested to hear that you are totally on-side and that we will not see the concoction that was suggested of multi-constituencies, which are totally divorced from the reality of being close to the people whom we are supposed to represent.

The First Minister: As ever, Peter, we are grateful for your support, whenever we get it. I agree that now is not the time for faint praise—it is the time for trying to get a clear understanding of what is on offer to the people of Wales by striking this new bargain between Parliament and the Assembly.

On proportional representation, I have never been a supporter of the single transferable vote, and the proportional system that we introduced for the Assembly has one great virtue, given the political history of Wales during the past 50 to 70 years. The reason that we went for the particular model that we did in the Government of Wales Act 1998, and the White Paper in 1997, was that we did not want to enshrine Labour in power permanently. We wanted to leave it in the hands of the electorate to determine what the character of the majority in this body is to be. You always have to leave that in the hands of the electorate. In Scotland, sadly, that has not happened. Scotland knows that there will be a Labour-Liberal Democrat coalition until hell freezes over. Here, we can get a majority mandate—at least we thought that we had one—but what is important is that, when people vote here, it is in the hands of the electorate whether to give or deny Labour a majority. The list system is very carefully balanced, like a clockwork mechanism, so that you can have a majority Government, coalition Government or a minority Government, as we have now, according to what the voters say. That is a very important principle. You want to leave to the electorate the verdict as to who will be running this Assembly in its name. Permanent coalitions, such as that in Scotland, remove choice from the electorate, in effect.

Glyn Davies: I welcome the proposal for the formal separation of the Assembly Government and the Assembly by ending the Assembly's corporate structure. The White Paper makes reference to law-making powers over devolved areas as a long-term objective, and to there being a stage in achieving that objective. I have made it clear that I



support that long-term objective of a law-making Assembly as the only way to create true accountability for the Government in the National Assembly. I have done this recognising that not everybody in my party agrees with that and I have felt that it has required a degree of personal courage to stand up and state that view. Will you tell us what your view is on achieving that long-term objective of having full law-making powers for this Assembly?

The First Minister: I think that the new system that we are proposing today will work extremely well. Whether, if it does not work that well, it will still set up a demand for primary legislative powers similar to those under the Scottish model, but without tax-varying powers and with or without Home Office and Lord Chancellor powers over the courts and prisons and so on—that is, the bits that are devolved in Scotland and that are not devolved here—I do not know. I cannot foretell the future. The important thing is to give this new system a running chance to see what we can make of it by striking a bargain with Parliament for a different division of labour between what it does and what we do as regards the people of Wales, and avoiding the logjam in every Queen's Speech. I think that that is the right way forward.

You asked for views, and you say that you have displayed a considerable amount of courage in expressing your view. From what Nick said—and I think that he was quite open about it—as far as we can tell, there is no Conservative view on devolution. That is why the Conservatives want a referendum: to see whether the people can solve this problem for them. He said that he is in favour of legislative powers, as you are, and that others are not. We heard a characteristic rant from David Davies about that earlier on, saying that not only should the Assembly not have law-making powers, it probably should not exist at all. In the end, parties have to have views. This is the view that our party has come to, we have passed it through conference, and, more importantly, we put it in our manifesto. There is now a sacred duty on us to do what we said on the tin and deliver what we put in our manifesto.

3 Statement made in the House of Lords 15 June 2005

HL Deb 15 June 2005 c1207-1219

Wales: Governance

Lord Evans of Temple Guiting: My Lords, with the leave of the House, I shall now repeat a Statement made by my right honourable friend Peter Hain, the Secretary of State for Wales, in another place. The Statement is as follows:

"Devolution has proved to be a success both for Wales and for the rest of the United Kingdom. By establishing the National Assembly for Wales in 1999, following the endorsement of a referendum, the Government have moved the process of decision-making closer to the people.

"Six years on, the benefits can clearly be seen: record levels of employment, rising standards in education, and ground-breaking initiatives such as the Children's Commissioner, free bus travel for the over-60s and the disabled, and Assembly learning grants.

"With equal numbers of male and female members, and pioneering commitments to open government, sustainable development and equal opportunities, the Assembly has been a progressive institution, attracting interest from around the world.

"After the experience of six years of devolution, and two full sets of elections, it is appropriate now to review and improve the working of the Assembly—not to make change for change's sake, but to ensure that it continues to meet people's needs in Wales and remains accessible and accountable to them.

"The White Paper therefore covers three key issues which the Government believe need to be tackled to deliver better governance for Wales. It addresses the response of the National Assembly to the report of the commission on its powers and electoral arrangements, chaired by Lord Richard of Ammanford, and the commitments made in the Labour Party's general election manifesto.

"First, the White Paper contains the Government's proposals for legislation to effect a formal separation between the Assembly and the Welsh Assembly Government.

"The lack of a clear separation between the Assembly itself and Assembly Ministers and the civil servants working for them has generated confusion about who is responsible for decisions. And, under the corporate structure, Ministers are in the contradictory position of sitting as members of subject committees meant to scrutinise their decisions.

"Secondly, the Government are proposing to give the Assembly, gradually over a number of years, enhanced legislative powers in defined policy areas where it already has executive functions. As a first step, the Government have decided, from now onwards, to draft parliamentary Bills in a way which gives the Assembly wider and more permissive powers to determine the detail of how the provisions should be implemented in Wales. That will not

require any change to the Government of Wales Act, but will require a more consistent approach to drafting legislation for Wales.

"As a second step, we propose to put in place a streamlined procedure enabling Parliament to give the Assembly powers to modify legislation or to make new provision on specific matters or defined areas of policy within—and only within—the fields in which the Assembly currently exercises functions. Orders in Council conferring these powers would be made at the request of the Assembly Government and would be laid by the Secretary of State and be subject to specific authorisation by both Houses of Parliament through the affirmative resolution procedures. It means that more legislation will be 'made in Wales', and that the Assembly Government will be able to secure more effectively and more quickly the legislative tools it needs to get on with the job of building a world-class Wales, with a globally-competitive economy, and high-quality public services.

"These enhanced legislative powers are adaptations of the current settlement and do not require a referendum. However, it may prove in the future that even these additional powers and streamlined procedures are still insufficient to address the Assembly's needs. The Government have therefore agreed to provide the option of further enhanced law-making powers. That would mean transferring primary legislative powers over all devolved fields directly to the Assembly. But, as a fundamental change to the Welsh devolution settlement that option would require the support of the electorate through a post-legislative referendum, triggered, first, by a two-thirds majority of Assembly Members, and, secondly, by a vote by Parliament. The Government envisage no particular timetable for this, as it would be dependent on a consensus which certainly does not exist at present.

"The history of Welsh devolution referendums is salutary. The big "No" vote in 1979 showed the dangers of conducting a referendum before sufficient consensus had emerged, and the Government remain conscious of the narrow majority in 1997 when it appeared that there was indeed such a consensus.

"I note that the Richard commission itself saw the acquisition of primary powers as a process which would take a number of years to achieve, and not before 2011. My own view is that the new Assembly arrangements should be allowed to bed down through the next Assembly term between 2007 and 2011 and that there is no case for considering a referendum until at least the following Assembly term of office.

"The people of Wales may wish to be convinced of the reasons for going beyond the new enhanced law-making powers before being invited to vote in a referendum. We therefore need some years' experience of the new system before we can make a proper assessment of when that might be.

"Finally, we propose to deal with a weakness in the existing additional member electoral system for the Assembly. There is widespread concern that the present operation of the regional list system in Wales is damaging the vitally important relationship between Members and their constituents, and indeed, causing unnecessary tensions between Members themselves.

"For losing candidates in constituency elections to be able to become Assembly members through the regional list, and thus claim to act as a Member for that very same constituency, both devalues the integrity of the electoral system in the eyes of the public and acts as a disincentive to voting in constituency elections. We therefore propose to amend the provisions in the Government of Wales Act to prevent individuals from simultaneously being candidates in constituency elections and being eligible for election from party lists. Candidates will have to make a choice.



"I believe that the proposals contained in the White Paper provide a practical, common-sense road map to sensible, staged improvement of the existing arrangements.

"One of the key reasons why the transition to devolved government in Wales has been a smooth one is that we have moved at a pace determined by the people of Wales. This White Paper reflects that guiding principle. It will provide a reformed structure that is more accountable, more participatory and more effective, giving more powers to the Assembly, leading to better governance for a better Wales. I commend it to the House".

My Lords, that completes the Statement.

Lord Roberts of Conwy: My Lords, we are grateful to the Minister for repeating the Statement made in another place by the Secretary of State for Wales. It is a significant Statement in that it points us towards the Government's way ahead for devolution in Wales. But I do not believe that it will please either ardent devolutionists or sceptical critics of the process. It extends devolution with one hand and reasserts central government control with the other.

The Statement and the White Paper begin with the story of the success of devolution in Wales—high employment, free bus passes for the elderly and so on—and conveniently ignores the failures, such as the cock-ups over student fees, the still spluttering bonfire of the quangos and the interminable hospital waiting lists. It would take all the magical powers of Merlin to spin those outcomes into a success story.

But let me begin with the first of the three prongs of the White Paper: the proposal to abandon the corporate structure of the National Assembly and split the executive, the Assembly Government, from the Assembly as legislature. That is a very welcome reform for which some of us have been calling for some time. The current structure has resulted in confusion in the public mind, where the Assembly has wrongly become synonymous with the Assembly Government. When the Government's actions are statutorily attributable to the corporate Assembly, real accountability flies out of the window. It is high time that they were separated.

But the proposal will mean a major, radical change in the character of the Assembly. Its main function in future will be to hold its government to account, and that means scrutinising their activities with a vengeance. The cosiness of the current committee system, whereby Ministers sit alongside Assembly Members, which attracted the critical eye of the Richard commission, will disappear, and the relationship between Ministers and Members will be more akin to what we are familiar with at Westminster. Can the Assembly cope with the total change of attitude required? I hope so.

The second prong of the White Paper is concerned with the transfer of primary legislative powers. Yes, the Assembly can have them in certain devolved areas if the Assembly Government ask the Secretary of State to obtain an Order in Council granting such powers in a specific area and both Houses of Parliament approve the order by affirmative resolution. The Bill establishing a Commissioner for Older People, to which your Lordships gave a Second Reading yesterday, is an example of the sort of thing that the Government have in mind. Will that be a tolerable procedure for a self-respecting, democratically elected body? The question will be asked, we may be sure. But it is that or nothing, or the present system, which I am glad the Government intend to improve as regards the style and framework of legislation presented and to streamline in so far as pre-legislative scrutiny is concerned. I hope that your Lordships' House will be involved in such joint scrutiny too.



In the longer term—six years hence and possibly more—further primary legislative powers may be granted subject to an affirmative referendum. That will be triggered by a two-thirds majority in favour at the Assembly, endorsed by the approval of this Parliament. This is a two pressure trigger, obviously devised by someone familiar with a .303 rifle. But it is not so much a trigger as a blunderbuss to stop a referendum in its tracks. Those proposals will go down like a lead balloon and prompt endless recriminations about Wales being treated differently from Scotland. It will be damned as discrimination on a national scale. The Government's answer is that there is no consensus currently in Wales in favour of an outright transfer of primary legislative powers—and they are probably right on that score. But there is no reason why we should not have a "preferendum", in which various proposals could be put to the electorate.

The most immediate outcry will be against the third prong of the White Paper—the proposal to change the electoral system so that first-past-the-post constituency candidates cannot appear as list candidates anywhere in Wales, even outside the area covering their constituency. How can this be wrong in Wales and right in Scotland? While we are aware that the Richard commission was critical of the current arrangements, we do not believe they should be changed piecemeal. The White Paper proposal will mean each party finding many more candidates—and I do not believe that any party in Wales has an abundance of candidates of high quality. We want only the very best to become Assembly Members under either scheme of election. It is not only the minority parties who will suffer under the new proposals; the Labour Party too may lose some of its leading lights in the Assembly who are elected by the list system.

Will these proposals, if implemented, result in better governance for Wales, as the White Paper's title proclaims? The Government believe they will, but that may be because the proposals mean the greater involvement of central government in the Assembly's affairs. I see that the Secretary of State proposes to draw up new Standing Orders for the Assembly himself. That will occasion a rumpus. We have already noted his controlling role in securing Orders in Council, allowing the Assembly primary legislative powers.

My overall impression is that the Government's enthusiasm for devolution as a cure-all is flagging. Perhaps their experience in the north-east of England accounts for it. They certainly appear to be turning the tables on the National Assembly for Wales. Whether they will be allowed to do so with impunity remains to be seen, but I should not be surprised if their plans were rejected. I would be grateful if the Minister could tell us when the Government expect to introduce legislation to implement the White Paper.

Lord Livsey of Talgarth: My Lords, I thank the Minister for reading out the Statement, and for giving us the opportunity to look at the Statement before reading it out. We welcome a model for further devolution of powers from Westminster to Wales. Certainly we welcome the splitting up of the corporate body of the Welsh Assembly into an executive on one hand and the legislature on the other. That is logical and, indeed, overdue. I for one was not happy with the situation when the Bill went through Parliament in 1998.

I believe that the Assembly will function better and that there will be better scrutiny. But why are there no proposals for an increase in the number of Assembly Members, as proposed by the Richard commission, which focused on the importance of ensuring that all legislation was properly scrutinised? For those like myself who have been striving for a Welsh parliament for some considerable time, it is very disappointing that full primary legislative powers are not ceded to the Assembly. The Government's proposals for legislation are really a half-way house. There is a bit of a get-out clause in adopting parts



of the Richard commission report, particularly 13.2, as a final solution. We have no real hard promises about what the long-term situation will be.

Will the Minister confirm that the Government in Westminster can block Welsh legislation through Orders in Council, which may not go through and could possibly be made into barriers for procedures in promoting lost legislation? Maybe some of these proposals are a device for avoiding a referendum, perhaps to save some of Labour's own MPs in Wales who do not agree with full legislative powers and see this as a way out—perhaps to avoid a reduction in the number of MPs in Wales, with their full legislative powers. We believe that the Government have lost a huge opportunity to give Wales full legislative powers, as proposed by the Richard commission, which was an all-party commission chaired by the noble Lord, Lord Richard.

The commission was extremely thorough and took a lot of evidence. I understand that the process and the report cost more than £1 million. Indeed, one of the proposals that the Liberal Democrats made when going into coalition with Labour in the Assembly was that a review of the legislature and the powers of the Assembly should be undertaken. It is an excellent report with a target date for implementation after 2011. Perhaps the Minister agrees that the Government have salami-sliced parts of the Richard report as regards a possible final answer for legislative procedures for Wales.

Obviously, we welcome the possibility—as outlined on page 6 of the Statement—of further legislative powers for Wales. However, that is left as an open question. The middle paragraph on page 6 states:

"However, it may prove in the future that even these additional powers"—

that is, those in the White Paper—

"and streamlined procedures are still insufficient to address the Assembly's needs.

The Government has therefore agreed to provide the option of further enhanced law-making powers".

The Statement does not say when that might occur, or even whether it will occur. It is as if it is not finally attainable—we have supported devolution for a very long time—because the apple is slightly out of reach on the tree. I hope that the Minister will disabuse me of that view.

The proposed voting system quite correctly takes on board the Richard commission critique. There is no question that it is a "duff" system as regards first-pass-the-post and regional members. But why, oh why, do the Government not adopt the commission's proposal of election by single transferable vote? That is a better and far more proportional system which would operate to the advantage of all the people of Wales and all the parties in Wales.

The White Paper leaves open the possibility of a government of a different complexion from that in Wales at present, making mincemeat of the Welsh Assembly. The Minister will have heard the noble Lord, Lord Roberts of Conwy, mention the word "preferendum". We know that the Conservatives' "preferendum" includes a question which would see the abolition of the Assembly at some future unknown time. If there had been progress on the Richard commission proposals, there would have been an ordered process to give full legislative powers to the Assembly after 2011. I and my party believe that this will be seen in Wales as dropping the ball just short of the try line.

Lord Evans of Temple Guiting: My Lords, I am most grateful to the noble Lords, Lord Roberts and Lord Livsey, for their comments on the Statement. I begin by drawing

attention to the fact that if noble Lords, or, indeed, anyone, wishes to comment on the

White Paper, they have the opportunity to do so. That should be done by Friday 16 September. Sensible proposals for the White Paper will be considered during the consultative period.

I am delighted that the noble Lord, Lord Roberts of Conwy, welcomes the separation of the Assembly into a legislature and an executive. All parties in the Assembly are keen on that. I see absolutely no reason why the Assembly should find it intolerable to enact measures under the terms of an Order in Council approved by Parliament. There is no question of Parliament approving the detail of the measures; that would, of course, be for the Assembly. For example, yesterday we discussed the Commissioner for Older People (Wales) Bill. An Order in Council will probably have been phrased to,

"Establish and make provision about the office of Commissioner for Older People in Wales; to make provision about the functions of the Commissioner for Older People in Wales; and for connected purposes".

That is the Long Title of the Bill.

As for treating Wales differently from Scotland, in 1997 the people of Wales voted for the current settlement. Her Majesty's Government judge that there is no consensus in Wales for equivalent powers to those of Scotland. The Government's proposals to improve the current settlement but to make no radical change are in line with the wishes of the people of Wales. The noble Lord, Lord Livsey, should take that point on board as regards his comment that we should cede primary legislative powers to the Assembly now. There is not the will for that. If there were a referendum, we would probably lose it. In our view that would be a disaster.

The noble Lord, Lord Roberts, mentioned the proposed change to the electoral arrangements. I draw his attention to the Electoral Reform Society's submission to the Richard commission, in which it was quite damning about the measure. It states:

"A system in which candidates can lose elections but nevertheless win seats undermines respect for the electoral process . . . if defeated candidates are perceived to enter the Assembly through a back door, it can damage public confidence in the system".

In the previous election some Assembly Members were elected having obtained 5, 6 or 7 per cent of the vote. Such a system is indefensible. That is why we decided to take action against that.

The noble Lord, Lord Roberts, asked about timing. We consider that it would be inappropriate to make any changes during the course of an Assembly. I am sure that he would agree with that. We plan to introduce a Bill before Christmas. All the changes can be made at the time of the Assembly elections in May 2007. I should point out that the changes we propose to the corporate structure are uncontroversial and have been welcomed by both noble Lords. However, they are extremely complex and will take some time to work through.

I am grateful to the noble Lord, Lord Livsey. We have discussed why we are not devolving all power at the moment. We would be very happy to consider any representations on more Assembly Members that the noble Lord, Lord Livsey, wishes to make; it is an interesting issue. The noble Lord asked whether Parliament could block a measure if a



Secretary of State were to refuse permission for it. Obviously, he or she would be obliged to publish their reasons. We believe that that is sufficient to prevent a Secretary of State refusing a measure simply because he wished to. However, that is not the intention of the measure and we do not anticipate that that would happen.

The noble Lord, Lord Livsey, asked why we did not simply accept the recommendations of the Richard report. The Richard report is an extremely valuable contribution to the debate on the development of the Welsh devolution settlement. It was delivered to the Assembly and was read with very considerable interest. It has informed the thinking on the White Paper. Some of the commission's recommendations are contained in the White Paper. For example, the separation between the legislature and the executive in the first stage of the development of the Assembly's legislative power is exactly what the commission recommended.

What we are looking at in Wales is an evolutionary process. We started well, and we have had six years. It is necessary to confer more powers on the Assembly, and the next stage, as the noble Lord, Lord Livsey, says, will be the devolution of primary legislative powers. That can only be done when there is consensus in Wales that the people wish it to happen.

Lord Morris of Aberavon: My Lords—

Lord Richard: My Lords, I will just say one or two words, since in a sense it is my corpse that people have been cutting up; or at least the corpse of the commission. On the whole, I give this White Paper a qualified welcome; it gets a B verging on B+. Some things are clearly right, such as dealing with the corporate structure. Some of the provisions in the White Paper about the electoral system are to be welcomed. I take the point about Clwyd; it is difficult to see how five people can be rejected by the electorate and nevertheless end up as Members of the Assembly. Something must be done about that. I also say to my noble friend that I am not convinced that there is no majority in Wales for these proposals. The latest polls show 64 per cent, a two-thirds majority, in favour of giving primary legislative powers to Cardiff.

Having said all that—and I accept that there are different views—I inform my noble friend that my personal aim is to see established in Cardiff an Assembly for Wales with pretty well the same legislative powers as the Scots have. I do not understand why—in one United Kingdom—one nation, Scotland, has certain powers and another nation, Wales, does not. There is a fundamental illogicality there that must be dealt with. That is my aim; so the test in relation to this White Paper becomes pretty simple and pretty clear. Does it advance that aim or does it retard it? I have always regarded devolution as a progression. It is not a once and for all act. Someone once famously said that devolution is a process; and it is. I ask myself now whether this White Paper and these proposals help that process. Clearly, it does.

The White Paper contains the important acceptance of the principle that the National Assembly needs greater legislative competence than it has at present. Therefore, the acid test for me is whether these proposals give it greater legislative competence. The answer is that they do, though perhaps not in a way that I would have liked at this stage. That brings me on to the point that I wanted to make. For me, the crucial point here is that the commitment to primary legislative powers should be in the Bill. It is not enough for a Minister to get up and say that he thinks it is a good idea after 2011. There must be a commitment in the Bill that if a referendum takes place in Wales, and if it has a positive result, then it will happen.

We have here something along the lines that the commission reported; namely, that there will be an interim period during which the White Paper proposals can be implemented. The object of the exercise is to have primary legislative powers in Cardiff that can be exercised in exactly the same way as they are in Edinburgh.

Lord Crickhowell: My Lords—

Lord Evans of Temple Guiting: My Lords, I am extremely grateful for the contribution from my noble friend Lord Richard. When I was at school, if I got a B+ for an essay I was absolutely delighted. I am pleased that he has given that mark to the White Paper.

It is rather dangerous to look at the BBC poll stating that 64 per cent are in favour of primary legislative powers, because before the 1979 referendum the opinion polls were saying precisely the same thing and giving the same sort of percentage. As we know, we narrowly won that. I know that my noble friend Lord Richard has that vision, and I know that he feels that this White Paper advances and progresses that vision. The crucial point that he raised is whether there will be a commitment in the Bill to primary powers being devolved. The answer is "Yes". I hope that will satisfy him. I also invite him, as I invited other Peers a moment ago, to take advantage of the consultation process that finishes on 15 September. Obviously, given the role that the noble Lord played with his report, we will take particular notice of what he says.

Lord Crickhowell: My Lords, I apologise to the Minister for interrupting his response to the noble Lord, Lord Richard.

There was a curious phrase in the Statement—I think I heard it right—that these proposals would help to make a "world-class Wales". The status of Wales in the world does not depend on the proposals of the part-time Secretary of State or anyone else. I am glad to say that Wales can stand by itself on its own status and reputation.

I welcome some of the proposals in the Statement. I certainly welcome the separation of the Assembly and the Assembly Government. That must be one way of dealing with the shortcomings that my noble friend Lord Roberts correctly identified and that the Statement carefully avoided; the things that have gone wrong, the weaknesses in the management of the health service, the whole affair of student fees, and the quangos. Of course, we must have an Assembly that can examine and criticise the Government rather than being arm in arm with the Government. I am rather more welcoming to the proposed change in the electoral arrangements than was my noble friend Lord Roberts. The present arrangements are really pretty indefensible, but we need to debate the alternatives carefully to make sure that we get the right solution.

I was pleased to read that we will have a referendum before we go on to have a major change in the legislative status of the Assembly. When I heard the detail of what is proposed, it took my memory back to the original debates before the first referendum, when Members of the House who wished to defeat the whole concept wrote in a series of barriers that had to be overcome. Here we have the Government writing in right at the start an enormous barrier of a two-thirds majority and the consent of this House combined with that. That seems to me an extraordinary proposal. If the Welsh people want to go forward, they should be allowed to go forward on the basis of a straightforward referendum vote, and it must not be fiddled by the Government in advance.

I opposed and won that original debate, but when the Welsh people voted for an Assembly, I said, "Well, let us make it a success". I have confidence in the views of the Welsh people. If we are going to talk about having more Assembly Members, I hope that

we will remember that there may be consequences for the number of Welsh Members of Parliament. Those two issues cannot be separated.

Lord Evans of Temple Guiting: My Lords, I am grateful to the noble Lord, Lord Crickhowell, for his comments. I agree that when we talk about Wales as a world-class country we are certainly not saying that the Secretary of State, or Westminster, is responsible for that. The responsibility lies firmly with the Welsh people and their skills.

The noble Lord raised an interesting point about the barriers to full devolution, arguing that if the Welsh people were totally in favour we should not have any barriers here in Parliament to prevent their wishes being heard. That is an interesting point that we will consider. I am grateful for the general welcome to the White Paper from the noble Lord, Lord Crickhowell, even though he has a number of reservations.

Lord Morris of Aberavon: My Lords, having played a small part in trying to devise a better means of government in Wales for more years than I care to remember, may I warmly congratulate the Government on their evolutionary approach, in particular for Westminster to be less prescriptive? Parliament has traditionally been reluctant to give Henry VIII powers to. Surely it must be right for Westminster to legislate more generally and to give powers that it would not otherwise give to a democratically elected Assembly.

I welcome in particular a more consistent approach to the drafting of legislation—an old hobby horse of mine when I was Attorney-General. Having said all that, I wonder what thought the Government have given to the possibility of governments at Westminster and Cardiff not being of the same colour. How well would the present proposals work in those circumstances?

Lord Evans of Temple Guiting: My Lords, I am grateful to my noble and learned friend Lord Morris for his support for the Bill and in particular his point about a more consistent approach to legislation, which, as I said in my opening speech, is very important.

On the question of there being different coloured Parliaments in Cardiff and here, my feeling—it is just my feeling—is that obviously things will be worked out in an intelligent and constructive way. I cannot imagine that if a different political party controlled the Assembly there would be any tension or difficulties between Cardiff and Westminster.

Lord Monson: My Lords, will the Minister agree that, if and when Wales is granted the same degree of self-government as Scotland, as the noble Lord, Lord Richard, would like, it will be necessary for a convention to be established whereby honourable Members in another place who represent Scottish, Welsh or indeed Northern Irish constituencies will automatically abstain whenever legislation dealing with purely English matters is voted on?

Lord Evans of Temple Guiting: My Lords, that matter is raised on many occasions. We are looking into the future, and we address such problems as they occur.

Lord Carlile of Berriew: My Lords, I am sure that many in Wales will welcome the fact that the White Paper provides an opportunity for consultation, the true separation of powers that has been needed since the beginning of devolution and the removal of the absurd dual candidacy opportunity. However, if we all share the aspiration that devolution should evolve a little more quickly than the human species, will the Minister put some flesh on the bones of what he describes in the Statement as the process towards greater legislative powers taking place gradually over a number of years? Does that mean this



year, next year, some time, never; or is it intended to accommodate the 2011 target of the Richard commission?

Will the Minister also explain to the House why, given that the majority of Welsh politicians are comfortable with the idea of proceeding quickly towards greater primary legislative powers and are not afraid of putting that to the people of Wales, Government in London are so afraid of putting it to the people of Wales?

Lord Evans of Temple Guiting: My Lords, the noble Lord, Lord Carlile, refers to the timetable. As I said in the Statement, we have taken 2011 from the Richard report. The noble Lord is asking what is likely to happen in each year between 2005 and 2011 to reach that point. That is a valuable point that we should take on board and consider addressing as we move towards the final White Paper. If any noble Lord felt that behind that was the notion that we would try to avoid the issue by prevarication, it would be an uncharitable thought and not one that I would accept.

Lord Rowlands: My Lords, it was my privilege to serve on the Richard commission under my noble friend's chairmanship. I will give the White Paper an "A"—a rather more generous examination mark than my noble friend—primarily because it takes the devolution settlement forward significantly in a meaningful way, without opening up a new agenda. Initially, through the structures of the framework legislation and, secondly, through Orders in Council, we will grant greater and greater legislative competence to the National Assembly and build on the legislative partnership that has already grown between Westminster and the Assembly.

We will have the considerable scrutiny skills of this House and the Commons alongside the developing scrutiny skills of the Assembly—a kind of legislative trinity of Commons, Lords and Assembly. I see extreme value in allowing that process to build up and develop and seeing how it works.

I remind my noble friend that one of the central conclusions of the Richard commission report was that, if we transferred a portion of primary powers to the National Assembly, to exercise those powers we would have to increase the Assembly's membership by 20? Consequently, we would open up the issue of how those extra 20 Members would be elected—probably under a different electoral system altogether. I hope that my noble friend will confirm that such radical changes should be put to the Welsh people in a referendum, because they would be a radical departure from what was agreed in 1997.

Lord Evans of Temple Guiting: My Lords, I am grateful to my noble friend Lord Rowlands for making those points, and I pay tribute to him for his membership of the Richard commission and the contribution that he made to it. I agree with him that the radical changes that he proposes should be part of a referendum. I thank him for his positive endorsement of the White Paper.

Baroness Gale: My Lords, I warmly welcome the White Paper, and I am pleased that my noble friend Lord Rowlands has given it an "A-"; the people of Wales would probably do that as well.

I would like to ask about legislation: if we went down the road of full legislation, we would have to have a referendum, as other noble Lords have said. I saw no great desire for further devolution among the people of Wales behind all the doors on which I knocked and the different constituencies I went to during the general election. The White Paper takes us along the devolution path that we are treading, one that would be acceptable to the majority of the people of Wales.



The Statement refers to modifying legislation or making new provisions on specific matters or defined areas of policy. Everyone knows that the Welsh Assembly debated greatly banning smoking in public places. I am sure that its Members would love to do so. Would the White Paper allow them to pass such legislation without it coming through Parliament?

Lord Evans of Temple Guiting: My Lords, I thank my noble friend Lady Gale for her endorsement of the White Paper. I will put an extremely interesting document—it is headed *Bills and Bill provisions which could have been enacted by the Assembly under a new Order in Council*—in the Library. It lists a number of Bills that I and various other Members of this House have spent many hours discussing in the Chamber and in Committee. In that list, the noble Baroness will be delighted to see a health improvement and prevention Bill—a smoking ban Bill—so the answer to her question is an emphatic yes.

4 Statement by the Rt Hon Peter Hain MP, Secretary of State for Wales in the Assembly, 21 June 2005

National Assembly for Wales, Record of Proceedings, 21 June 2005

The Secretary of State for Wales (Peter Hain): Thank you, Presiding Officer, and thank you all—it gives me great pleasure to be here once again.

Last month's Queen's Speech contained a record number of Wales-only Bills. Who would have imagined that 10 years ago, when Wales was ruled by John Redwood? Who would have imagined then, not only an Assembly well established as a vital part of the Welsh political landscape, but that, today, we would be discussing the Government's proposals for a route-map to achieve primary law-making powers?

This year's legislative programme contains over 40 Bills, including a new Government of Wales Bill, the White Paper for which proposes a three-staged move towards full legislative powers for the Assembly. First, we have already adopted the innovative approach recommended by the Richard commission in drafting parliamentary Bills to give the Assembly wider and more permissive powers to determine the detail of how provisions should be implemented in Wales. An excellent example of this new approach is yesterday's proposal to give the Assembly wider powers to introduce smoke-free enclosed public spaces in Wales.

Secondly, instead of Wales fighting for space in future Queen's Speeches for Westminster Bills, we propose a simpler, more streamlined process. The Assembly will bid to implement a new policy or modify an existing law. Rather than Westminster undertaking the normal lengthy process of Second Readings, committee and report stages, and Third Readings in both Houses of Parliament, from May 2007, the Assembly's bid will be determined by a straightforward vote in both houses. This is the affirmative resolution procedure under which Parliament decides Orders in Council after a debate of an hour and a half. In each case, these Orders would give the Assembly new powers to make legislation in specified areas of policy, to modify the provisions of Acts of Parliament as they affect Wales, or to make new provision.

Our proposals mean that more legislation will be made in Wales by Assembly Members. They also mean that the Assembly Government will be able to secure more effectively and more quickly the legislative tools that it needs to get on with the job of building a world-class Wales, with a globally competitive economy and high-quality public services.

The Richard commission envisaged greater powers for the Assembly from 2011. However, under the White Paper, we will grant the Assembly enhanced powers delivered under a streamlined process much earlier—in 2007. However, it may prove in the future that even these additional powers and streamlined procedures are still insufficient to address the Assembly's needs. The Government has, therefore, agreed to provide for the option of transferring primary legislative powers over all devolved fields directly to the Assembly.

Granting primary powers to Wales clearly would be a fundamental change to the Welsh devolution settlement. That is why the White Paper provides for primary powers only after a referendum has triggered them. The Government has no current plans for such a referendum. However, in order to avoid the necessity of a third Government of Wales Bill, we propose to legislate for this now. At any time in the future, a referendum could be



triggered by a two-thirds majority vote in the Assembly and endorsement by Parliament. So let us be clear: contrary to the publicly expressed expectations of Labour's opponents and critics, some of whom are here today, primary powers will be on the statute book by late autumn next year. That is Labour delivering for Wales and Labour delivering for devolution, as Labour, and only Labour, always has.

This is a White Paper beating to the pulse of Welsh public opinion. By contrast—*[Interruption.]*

The Presiding Officer: Order. I will not have a disorderly house here, as they have in some places. I will call the leader of the opposition in good time to ask questions on the statement.

Peter Hain: By contrast, those who, for their own political reasons, are demanding a referendum now, are completely out of step with Welsh public opinion. As one who has long favoured primary powers, and who is responsible for including them in this White Paper, I tell you frankly that there would not be a chance of winning such a referendum soon. Imagine what a defeat would do to the devolution cause—just imagine that. Remember how close the vote was in 1997, when there was the kind of wide cross-party consensus that is absent now. Remember too that after the massive defeat in 1979, it took 20 years to move the devolution process forward and get the Assembly established.

We will also legislate, again in line with the Richard commission, to ensure a clear separation between the Assembly's executive and legislative branches, ending the current corporate structure that has bred confusion about who is actually responsible for decisions. We will end what is widely accepted as the abuse in the Assembly's election system that enables losers to become winners. For losing candidates to become Assembly Members, and set themselves up as rivals to Assembly Members by whom they were defeated, devalues the integrity of the Assembly's electoral system in the public's eyes. Therefore, we intend to prevent the situation occurring in the future. Candidates will have a choice to stand either in constituencies or on lists, but not both. *[Interruption.]*

The Presiding Officer: Order. I have asked Members to listen in an orderly way. This is hardly news; it was in the Labour Party manifesto, as far as I remember. Let us listen to the Secretary of State's statement, and there will then be an opportunity for all opposition leaders to question him.

Peter Hain: Presiding Officer, I am grateful that you read the Labour Party's election manifesto—and good reading it is too.

The Government of Wales Bill will be introduced late this year or early next year, coming into effect in time for the May 2007 elections. In addition, the Queen's Speech contains an unprecedented legislative programme for Wales. The trailblazing Bill for a commissioner for older people, the Welsh clauses on public smoking in the Health Improvement and Protection Bill, and the new transport powers show the Assembly taking forward its policy agenda in Wales and working in partnership with this Government to achieve it.

Although the general election was less than seven weeks ago, there are two Wales-only Bills well on their way—the Commissioner for Older People (Wales) Bill and the Transport (Wales) Bill—having already had their Second Readings. We will be publishing the draft Tourism Accommodation Registration (Wales) Bill this session for pre-legislative scrutiny. On top of all this, there could be around 18 Bills in this legislative session that will contain specific Welsh provisions, or be of particular relevance to Wales. Therefore, half the Bills



before Parliament will grant powers to the Assembly, making for our busiest Welsh legislative programme ever, and allowing the Assembly to drive forward its own reform programme, tailored to the needs of Wales.

It is no wonder that Wales has been doing better, under our Labour Government, than it has for generations. It is a Wales that is well and truly part of Great Britain, just like the Welsh players on tour with the British and Irish Lions, described by Sir Clive Woodward as the 'heartbeat' of the lions. Are they not doing well? Ryan Jones was man of the match on Saturday, and Gavin Henson scored two tries today, and they are both Neath-Swansea Ospreys. Sir Clive, it is time to put them in the test team.

There are record levels of employment in Wales, and there is also record public spending and a buoyant economy, along with pioneering Assembly policies such as that of having a children's commissioner, free bus travel for the over-60s and disabled people, and Assembly learning grants, which, following Welsh success, has led to their being copied in England. Imagine if the Conservatives had won the election, with their reactionary plans to reverse much of this momentum, and their multi-preference referendum designed to abolish the Assembly.

I am proud to have outlined to you a historic Queen's Speech for Wales. It is the first Queen's Speech of this first ever third-term Labour Government. I trust that it will be endorsed by the Assembly.

Ieuan Wyn Jones: I welcome the Secretary of State here to present his programme for legislation on a historic day in Wales. This is a historic day because the National Assembly has delivered, across the parties, a situation whereby students in Wales will not have to pay top-up tuition fees from 2007. I ask the Secretary of State to welcome that as devolution working on behalf of the people of Wales and as proof that every party in the Assembly can make devolution work and that it is not dependent on the Labour Party alone.

I draw the Secretary of State's attention to the White Paper. We broadly welcome the plans to split the legislative body from the Government and the process that that will entail. However, we totally oppose the spiteful proposal that will not allow Members to stand for election on the list and in the constituencies. I felt quite strange listening to the one and only 'amen' that came from the Labour Members' side when that was announced in your statement. Labour Members' voices were heard loudly at that point but were muted during most of your speech, which shows that this is internal to the Labour Party and does not impact on the people of Wales.

I move on to the additional powers that you propose for the Assembly and the contents of the White Paper. There is a difference between us on the process that you have outlined. Naturally, we accept that Orders in Council are likely to facilitate the legislative process and we accept that that means that, under particular circumstances, in theory, the London Government could allow the Assembly to legislate on matters that we do not currently legislate upon, but the problem is that Westminster will always have a veto on those Orders. While it is possible to anticipate a situation whereby you have Governments of the same colour governing in Cardiff and in London and these Orders being successful, what will happen when you have Governments of different colours? Will not such a situation, with severe philosophical and political differences between two parties, lead to serious constitutional problems? The Government in London will not want the Assembly to do things that are contrary to its policies.



Once we have looked at the first stage, as you described it, there is a route-map to having primary law-making powers. The consensus view on those powers was addressed by the Richard commission. The Secretary of State has made much play of the fact that there is no consensus in Wales in favour of primary law-making powers. There is consensus, and it is called the Richard commission, because all political parties and people of no parties were represented on the commission. It took evidence for 18 months, and spent £1 million of public money, and it came to the unanimous conclusion that there should be primary law-making powers by 2011. I have heard the Secretary of State say that we might not get this mythical consensus that he talks about until 2015. I suspect that that is the date by which most Welsh Labour MPs will have retired, or will have lost their seats as colleagues behind me in the Chamber are suggesting, which will enable us to move to the trigger.

I wish to refer to the arm lock that you have put on that process, and these hurdles that have been introduced. It is not for the Secretary of State or the Labour Party to judge whether there is consensus; it is a matter for the people of Wales to judge. Is the best way to do so not to commit this decision to the people of Wales sooner rather than later? The Secretary of State and the First Minister believe that Wales should have primary law-making powers; it seems to us that the only missing consensus is that of Welsh Labour MPs in Westminster. They have forced through this undemocratic hurdle that you have included regarding having a two-thirds majority in favour before we can move to a referendum.

How can it be right for the United Kingdom to go to war on a one-vote majority in Westminster when a two-thirds majority is required in the Assembly to be able to hold a referendum to consult the people of Wales? Does he not regard that as being undemocratic? Does he not think that the decision regarding law-making powers is not in the gift of one party, but in the gift of the people of Wales? Why can they not be consulted sooner rather than later?

Peter Hain: Thank you for your general welcome for the White Paper. As Secretary of State for Wales, it was me who ensured that primary powers were included in the paper, and will be included in the Bill. I get the impression that Ieuan rather feels that the rug has been pulled from under Plaid Cymru's feet. All the speculation in the *Western Mail*, which of course is the Bible of truth on such matters, stated that we would not do this. Well, we have, and we will, and that is that.

You said that the proposals to ensure that candidates cannot stand in both categories of the electoral system were 'spiteful'. In that case, why do you think that the Electoral Reform Society, in its evidence to the Richard commission, which you constantly quoted, opposed the system? It stated that

'a system in which candidates can lose elections but nevertheless win seats undermines respect for the electoral process'.

It also stated that

'if defeated candidates are perceived to enter the Assembly through a back door, it can damage public confidence in the system',

and that

'there is also concern that list members can "cherry pick" issues, deciding to focus their activities on those issues most likely to raise their profile or create problems for their



constituency opponents. There have been accusations that list members have concentrated their energies in constituencies in their regions where there are future prospects of winning constituency seats. If the Welsh Assembly were to acquire greater powers, it must be anticipated that the tensions between list and constituency AMs will increase.'

This was not said by a Labour Party Secretary of State or a Labour Party Member, but by the Electoral Reform Society, which is a non-party body.

I will give you some other quotes by the Presiding Officer of the Scottish Parliament, who said that

'quite the most distasteful and irritating part of my job as Presiding Officer was dealing with complaints against list Members' behaviour from constituency MSPs, Westminster MPs and local authorities...I could not understand at first why we had such problems, until it dawned on me that what some were determined to do was misuse their position to run a permanent four-year campaign as candidate for a particular constituency. In most Parliaments you do not have Members sitting in the same chamber or in committees who are going to be election opponents, and it does not make for a good working atmosphere.'

Those are not the words of a Labour Party apparatchik, but of the former Presiding Officer of the Scottish Parliament. I could make many such arguments, including referring to the minority votes that many list Members achieved in constituency sessions but who, defying that electoral verdict, turned up in the Assembly. I do not think that that is 'spiteful'; it is democratic to ensure that candidates should choose how to stand.

On Ieuan Wyn Jones's question about Parliament having a veto on Orders in Council, Parliament currently has a veto on Bills—Wales-only Bills and other Bills, of course. There is much more scope for Westminster to disrupt Wales-only legislation under the existing procedures, a point that the First Minister has made before, than there would be for a simple Order in Council, which could go through in an hour and a half.

You asked what right I had to judge the fact that there was no consensus—as I argue is the case—for a referendum on primary legislative powers, and why we do not simply follow the Richard commission's recommendations and the consensus on that. Whatever the Richard commission reported to the Assembly, I have a duty to represent a Government that won an election mandate and has the consensus of Wales behind it, with by far the majority vote in Wales—much bigger, in multiple terms, than the share of the vote of any of our rival parties, including Plaid Cymru. The Labour Party is closer to the consensus of the people in Wales than any other party or independent commission. I say that in all seriousness. I understand and respect Ieuan's point, but do you not think, and do not Labour's opponents acknowledge, that to hold a referendum prematurely when there is palpably no cross-party consensus—as is currently the case, because Welsh Labour would not support an early referendum—would risk defeat? What would we achieve then? Ieuan jeers and gestures, as do other Plaid Cymru Members, but I remind him that I organised the 1997 referendum campaign and a very close shave it was too. When we go for a referendum on primary powers, as we will in future, then we must do so with cross-party support in the interests of Wales and in the national interests of the Welsh people.

Briefly, Ieuan also asked about the necessity for a two-thirds majority vote in favour in the Assembly compared with the majority vote on going to war, for example, in Westminster. I understand his point, but, if I were still Secretary of State for Wales at that time, to argue



against the opponents of the case for primary legislative powers, who are thickly populated on the opposition benches in particular, I would want to be sure that I had a clear consensus in the Assembly—a cross-party consensus and not a narrow vote. That is the reason; it is a genuine attempt to provide momentum for and lend credibility to such a situation.

Nick Bourne: I welcome the Secretary of State here and wish him success in both his portfolios, as I am sure we all do.

In the White Paper, which he has not touched on specifically in his statement today, he refers to the transfer of powers and says that it has worked successfully. I wonder whether, in his response, he could update us on what point we have reached in relation to large energy projects of 50 megawatts and above. That question has taken more than three years so far to be answered. The response to every question that I have tabled is that it is still being discussed. Therefore, that has not been as successful as he seeks to suggest.

On the separation of the legislature and Executive, which we have all supported and there is no problem with that. All 60 Members are signed up to that agenda, so we certainly welcome that.

Turning to the electoral system—on which the Minister made a great play of trying to put a principled case for Labour as to why first-past-the-post Members will not also be able to stand as list Members—I would like to ask two questions. First, many of his objections about list Members will apply in the same way to list Members who had not stood for the constituencies; they will still be able to represent themselves as list Members for a region; they will still be able to cherry pick, and so on, so the Minister's argument on that particular point does not hold water.

Secondly, I would like to ask the Minister what he thinks of Mr Peter Peacock. He may not be aware of Mr Peter Peacock, but I can tell him that he is a Labour Member in the Scottish Parliament. The Minister has talked about the Scottish Parliament, and about how insidious it is that list Members there are able to represent themselves as local Members, but Mr Peacock does; he is a Labour Member who represents himself as a local Member for Moray. It is tolerated there. Why is it tolerable in Scotland, but not in Wales? Is it because, at the moment, Labour benefits from it in Scotland but not in Wales? You might like to consider the self-interest argument that there are probably some Members on your own side who may not feel quite as strongly about this as you seem to from another place, because they will be getting their P45s next time around. Dare I say, without embarrassing them, that some of the more talented Members of your party may well suffer because of this proposal.

I move to the third part of the White Paper, relating to the growth of powers, if I can put it that way. We support the broad general framework for legislation and the way in which it is done at the moment—with immediate effect, as I understand it. That was in our manifesto for the last Assembly elections, so we could scarcely do other than welcome that; that is sensible. However, the next stage appears to me to be a dog's dinner. There is no guarantee that you, as Secretary of State, or your successor, will agree to any proposal coming from this place. It is still crumbs from the table. There is no guarantee, as is true of the current system with legislation in the queue. How is it different, apart from being on specific and not wholesale areas?

On the third stage, you say, somewhat disingenuously, that you are putting legislative powers in statute from autumn next year. This is true in a sense, but we know very well,



because I heard you say so to the House of Commons, that you do not anticipate this happening until 2015. Let us, therefore, have the whole picture at the earliest opportunity. As you believe in legislative powers—as do I—why do you not trust the people of Wales on a referendum now? Why are you not prepared to go out and make the case to the Welsh people? You say that the consensus is not there, but that is not what the opinion polls are saying. How is it that you have a divine telephone line to the Welsh people, and others, including opinion pollsters, do not?

I would be interested to know why you think that there is no consensus at the moment. We believe, as a party, that there needs to be a referendum now with a series of options because opinions differ; they differ in my party—I am candid about that—and they differ in yours. We know that some Welsh MPs are not fully signed up to the agenda of full legislative powers; some for perfectly valid reasons, others perhaps because they fear the consequent reduction of Welsh MPs. One of the reasons that Labour is not keen on this referendum and wants it put off until the distant future is that it will certainly affect its majority at Westminster. Could we have a little candour on the general referendum issue?

I also read the Labour manifesto, and, like the Presiding Officer, I love a great mystery. I thought that this was something to be enjoyed, but there was nothing in it about the 66 per cent. Where has that suddenly come from? There is no precedent in the British constitution of requiring this sort of threshold for any legislation. It has always operated on the basis of a majority, whether in the Scottish Parliament, the National Assembly for Wales or at Westminster. This is only being done to try to keep Labour there as a blocking mechanism. It is a minority party now, but it will probably be an even smaller minority party after the next Assembly elections. Is that not what is behind this?

Finally—and I realise that your statement was probably prepared before today's developments—you talk of the great successes of the Assembly, but you should add to that that all four parties have signed up to an agreement today to stop top-up fees from happening in Wales. I hope that lesson will be followed in Westminster. You talk about lessons being sent to Westminster from this place, and this is an important lesson that could be learned at Westminster .

I pay tribute to the First Minister, who has recognised the minority status of his own Government in coming to the talks in a constructive way so that we now have that four-party agreement. Will the Secretary of State welcome that development today?

Peter Hain: I welcome the development, not least because it provides certainty to Welsh students and stability for Welsh universities. The stability of funding for Welsh universities that would have been in question had there not been an agreement. Therefore, of course I welcome it.

I remind Nick Bourne and all opposition Members that it was I, as Secretary of State, who provided through primary legislation, and the transfer of functions Order, for that power over student fees to be devolved to the Assembly. I proposed it, with Jane Davidson, the Minister for Education and Lifelong Learning, who made a bid for it. You have now made your decision. That is what devolution is about.

You asked about energy consents. A tripartite working group, with Department of Trade and Industry, Wales Office and National Assembly for Wales officials, is still considering the implications of the proposal for the transfer of powers over energy consents, and will produce a report as quickly as possible. We need to balance the obvious desire of the Assembly to be in charge of this area with the UK's energy needs and Wales's

contribution to that, and to be certain, in view of the strategic and security of supply issues involved in energy policy, that we have a sensible outcome.

There have also been other recent transfer of functions Orders, for the transfer of powers over fire services, CAF/CASS and animal health to the Assembly.

On the question of the election list system, why is Nick Bourne so sensitive about this? It is curious. The main bile directed at the White Paper from the Conservatives and other opposition politicians is on this point. Why does he not follow the advice of the former Conservative Secretary of State for Wales, Lord Crickhowell, who said in the House of Lords last week:

'The present arrangements are pretty indefensible'?

I think that Nick might follow the advice of one of his distinguished Conservative colleagues. How can he justify to the electorate of Brecon and Radnorshire, having polled only 29.9 per cent of the vote there, his now seeking, as a regional list Member, to represent them? How can he possibly justify that when he was kicked out by the voters of Brecon and Radnorshire? I could mention others. The Assembly Member for Caerphilly polled only 10.1 per cent of the vote. [*Interruption.*] Llywydd, let me correct that point—

The Presiding Officer: Order. The Secretary of State is replying to the statement.

Peter Hain: Laura Anne Jones polled 10.1 per cent of the vote in Caerphilly. Owen John Thomas polled 8.7 per cent of the vote in Cardiff Central. Eleanor Burnham polled only 7.9 per cent of the vote in Clwyd West. Mike German polled only 14 per cent of the vote in Torfaen. If I were a list Member, having had those miserable electoral performances in constituencies, I would be ashamed to come here seeking to defend that system.

In respect of what Nick Bourne said about crumbs from the table on powers, that is pretty rich coming from a Conservative, when the Conservatives' policy towards Wales was to deny Wales the ability to determine its own future year after year, decade after decade. He asks why we would not proceed or were not recommending to proceed with a referendum before 2011. It is possible that there might be a two-thirds majority vote in the Assembly before 2011. I do not recommend that, because I think that we should allow four years for the new system to bed down and to see how the streamlined enhanced Order-making powers are settling down and see whether there is a persuasive case at the end of that experience for moving on sooner. By the way, I never mentioned 2015 as a particular date. I have never said that it was necessarily that date. I said that it could occur in the next Assembly between 2011 and 2015. It could occur after that. If there is a two-thirds majority vote in the Assembly before that, it is a matter for the Assembly. However, I caution you to be careful about triggering a referendum before everyone is confident that there is cross-party support for it. I would also like to know where the Welsh Conservative Party would stand in that referendum, since Nick seems to favour more powers. The Shadow Secretary of State for Wales, Bill Wiggin, opposes the Assembly and wants to see it abolished; he is offering a multi-preference referendum, which is the Conservatives' way of seeking to invite the people of Wales to abolish the Assembly.

Nick asked about opinion polls. I remember the polls days before the September 1997 referendum; they are burned into my heart. They showed a very clear majority for the 'yes' vote. What happened on the day? It was a very narrow squeak. We have to be very careful about reading too much into opinion polls taken well in advance in a completely different situation. When I look around the world, at France and Holland in recent times, at the referendum held in the north-east of England last year, I see that governments

currently have a habit of risking losing referenda. I do not think that it would be good for the Assembly to trigger a referendum prematurely.

Finally, on the points that Nick raised questioning whether Welsh Labour MPs are supportive of this policy, all Welsh Labour MPs, including those who have traditionally been quite sceptical about devolution, defended and supported the policy last week in the House of Commons. The whole Welsh Labour Party is united behind this policy. That may be terribly frustrating for Nick, Plaid Cymru, the Liberal Democrats, and their allies in the media, but that is how we are going to proceed.

On the question of the numbers of Welsh MPs of all parties, because we are not transferring, even under the primary powers option, functions outside the existing devolved settlement, I do not think that there is any case for reducing their number, as there has been in Scotland. The criminal justice system, policing and other matters will still be reserved to Westminster, so I do not think that we should go down that road.

Michael German: I welcome the Secretary of State for Wales here, on what, I suppose, will be his last visit to this Chamber. I say that, of course, because the next time that you will be with us, we will not be in this room—just in case you were thinking that I knew something that you did not. [*Laughter.*] You look a bit worried, but I was merely making the point that it will be your last time visit here.

You present this route-map to us, but I would say to you that the Richard commission was set up precisely to try to establish clarity as to what this Assembly could and should do, and what should be done in Whitehall and Westminster. It is against that background of clarity that I judge your route-map, and I find that it contains more kinks and turns than the back page of an Automobile Association atlas of B roads. It presents a convoluted approach to primary legislative powers, which I think, from what you said here last year, you believe is the end point at which we should arrive.

I will come to the timetabling later, as I find the second step in your solution—13.2 provisions and then the Orders in Council, and then primary powers—quite ingenious. It is on that particular area that I want to question you. If it were to be a temporary solution, then I think that it may well be a very good one. It seems to me that the key issue that you have to answer relates to paragraphs 3.17 and 3.18 of the White Paper, about the breadth of the Orders that we will recommend to the House of Commons and the House of Lords for acceptance. You give three examples in the White Paper of narrow and broader depth. If, for example, the National Assembly were to request of you, through an Order in Council, the power to legislate in the area of local government finance, do you think that that is the sort of Order that you would present to the House of Commons and recommend for approval? It would be a broad Order, which would give those of us who believe in changing from a council tax system to a local income tax an opportunity to argue that case here. If we won the case, we could then legislate for that in the National Assembly. Do you think that if we asked for the power over elections to local authorities in Wales that we could have it? In other words, are the powers that you are proposing through your Orders in Council as broad and substantial as the Orders that we believe that we could have under primary legislation?

If we are to make new provision, they must be relatively broad. You say in your White Paper that the powers that we would have would be as broad as Parliament would wear; that is a paraphrase of the words in your White Paper. It is important that you tell us today what breadth of powers, in your view, you would accept. At the next Assembly elections, I think that you will see the political parties here putting forward their position on the legislative powers that they want. That will be voted on by the people of Wales, and views



held by a majority of Assembly Members could then be put to you in Parliament. Would that then present a difficulty for Parliament, in that something that has been voted on by the people of Wales, which are clearly manifesto commitments, could then be turned down by you? That is the veto issue that I would like you to try to deal with.

If it works as I hope it does, and leads to huge areas of transfer of powers—and I suspect that that is what is in your mind; I hope that it is—by the time that we reach 2011, which was the date by which the Richard commission proposed a full legislative transfer, we will have a jigsaw of powers, with pieces missing. The next stage then—full legislative powers—would only put those missing pieces in place. Surely a referendum would not be required to fill in the missing gaps when we will have gone maybe more than half way, perhaps even three quarters of the way, to full legislative powers in that period. By the way, I must correct you as you took my name in vain in the House of Commons in taking my colleague to task about our position on referenda; we have never sought a referendum on full law-making powers. However, if a referendum were to come along, whether on the Peter Hain wagon train or someone else's, we would not shy away from it, and we would fight it with relish, because we believe that it is to be won. However, and I have said this frequently, we think that there is a strong case for a referendum, and we would argue strongly in favour of a referendum, if we were to move to a more substantial change such as tax-varying powers, like the Scottish Parliament has. However, the key question remains: if the jigsaw is only to be filled in at the end of 2007 to 2011, why do you need a referendum?

On the voting system, I will not engage in the banter that colleagues have started with you. However, the Richard commission took evidence from all those who had concerns about this matter, and it recommended the single transferable vote as a way forward. Incidentally, when anyone has a look at any electoral system, that is always the recommendation that they come up with. This is a system that Labour established in the first place—it was certainly not our choice. We fight elections on the basis of a system that, as you know, because you led the referendum campaign, you put in place for us. Is not a Government that can get 50 per cent of the seats in this Chamber on 37 per cent or 38 per cent of the vote a good example of a loser becoming a majority? That seems to me to be the more apparent loser in the Welsh dimension, and the people of Wales have lost out by the votes that they cast.

I now turn to Standing Orders. I know that you have received representations from the First Minister, who said in his statement that the Standing Orders for our new Assembly, post-2007, should be written by the National Assembly, with a backstop position for the Secretary of State for Wales in case we had missed something that was important in the bigger field of UK legislation. Do you agree with the First Minister that the job of writing the Standing Orders should be done here?

Finally, I believe that the direction in which we need to move forward is that which the Richard commission laid out, towards full legislative powers by 2011. I understand now, from your response, that the reason why you have not been able to move towards that direction at that speed and clarity is because there was no consensus in the Labour Party, as you have said today. However, it was ever thus. There have always been severe divisions in the Labour Party about devolution, and we have always managed to overcome them somehow. With strong leadership, I believe that you could overcome that division inside your own party.

Peter Hain: It is actually worse than that, Mike. I do not believe in moving to a referendum early; it is not a question of fashioning a consensus within Welsh Labour. I do not believe that we would win a referendum early. That is my judgment. I happen to hold the position of Secretary of State for Wales; you may take a different view—

Owen John Thomas: And Northern Ireland.

Peter Hain: And Northern Ireland, as I am proud to do, and I think that you should be as well. If you take a different view, that is fine. Let me explain how I came to this position. It was clear to me that if you introduced a Bill in Westminster that proposed primary powers for the Assembly, as I am proud to be doing, without a referendum to endorse it, you would get an amendment moved, if not in the House of Commons—though probably—then certainly in the House of Lords, and you would be on the wrong side of the argument. I have already been there in respect of the European constitution, and I do not intend to revisit that territory. That is how I came to the view, as did Rhodri Morgan, that we had to make progress for the Assembly in terms of the streamlined powers and procedures that you were kind enough to describe as ingenious, and I will come back to that point. That is the starting point. If you have to have a referendum on primary powers, and I understand your arguments about why there should not be one, you would not get a Bill through Westminster without that lock on it. It is not a question of just maintaining unity in Welsh Labour, although that is obviously important to me; it is about maintaining unity around that Bill. Once you start there, how can we make progress in the meantime? That is why we have come up with this ingenious proposal, as you described it.

You asked fairly about the breadth of the Order, and I would have to take advice on the local government finance matter. However, I will give you an indication of the type of Bills that could have been enacted by the Assembly under the Order in Council provision that previously required primary legislation: the Children's Commissioner for Wales Act 2001; the Care Standards Act 2000; the Countryside and Rights of Way Act 2000; the Learning and Skills Act 2000; the Local Government Act 2000; and the Education Act 2002. There are a whole series of Acts there that previously required primary legislation but which would now only require an Order in Council. These include the two that are currently before Westminster, namely the Commissioner for Older People (Wales) Bill and the Transport (Wales) Bill. The kind of Bills that could not have been enacted by the Assembly under an Order in Council provision, to help your point, would be the Children Act 2004, because it required a transfer of functions, and the Bill on the Children and Family Court Advisory Service, which is in the reserved functions. That is why you would require primary legislation there. The Fire and Rescue Services Act 2004 and the Railways Act 2005 could not have been enacted by the Assembly either, because functions in these areas were not devolved. That would also apply in the future to a St David's Day bank holiday Bill, which would need primary legislation, but there would be considerable scope for doing a great deal under that Bill.

You then made the point about having made progress over a number of years under the Order in Council provision, you would then have a jigsaw of powers with a few pieces missing. That was a very interesting way of expressing it. That would be the position. There would be a case out of experience, as it were, on evidential facts, as to why there was a case for moving to a referendum and triggering the primary powers that the Assembly favours and that you and I favour. I find it curious however, that you, as Liberal Democrats, are opposed to consulting the people on this. If you are as confident as you appear to be that there is a consensus for primary powers for the Assembly, then you should be in favour of a referendum. It is not just a question of a consensus within the Labour Party—although, as a majority party in Wales, that is obviously important—it is a question of whether there is a consensus in Wales. It is my judgment that there is not at present, but that, in the future, we will have an ability to find out.

On the question of why we did not just transport the policies of the Richard commission, I remind you that there are already a number of issues, to which I have referred, on which



we have followed Richard's recommendations. Lord Richard, in the House of Lords, welcomed this White Paper. Admittedly, he gave it a B+, which, in my experience as a university student, sounds like a first-class degree, or near enough to it.

Ieuan Wyn Jones: An upper second.

Peter Hain: An upper second then, but that is not a bad degree. That verdict from Lord Richard is proof of the fact that, as Mike and all the other opposition leaders know, this is widely supported across the political spectrum as a sensible way forward.

Finally, I will deal with the question of the election system. I will not go into all the detail that I did previously. I will remind him of quotes from Lord Livsey and Lord Carlile, his predecessors as Liberal leaders in Wales, who described the current system respectively as 'a duff system' and as 'absurd'. They agree with me that it needs reform, and I would have thought that, on reflection, you would agree with me as well.

On the issue of the single transferable voting system recommended by Richard, the big flaw is that—I have believed in proportional representation systems of that kind for a long time, since my days as a Young Liberal over 30 years ago—you break the link of accountability between a Member and the electorate. Voters can no longer vote the Member in or out; that is the real problem with that system. I do not favour it, and neither does the Government nor Welsh Labour.

On the issue of Standing Orders, you asked whether they will be drafted here. I am willing to discuss this, as I have said to the First Minister, in order to find a way forward. All that I have done in the White Paper is use the same formula as was used in the Government of Wales Act 1998. That is where I propose to rest, but I am open to discussion and good argument if it comes my way.

Gwenda Thomas: Have you had an opportunity to look at the suggestions arising from the Arburthnot commission in Scotland that in order to clear up confusion about the role of the regional vote, voters could only cast one vote that would be used to elect both their constituency and regional members? In light of the confusion felt by many people in Wales, do you agree that this proposal is worth examining, so that people would know exactly who and what they are voting for?

Peter Hain: It is an interesting question, and I think that we should look at that. If the case is made to me that we ought to pursue that, then I would want to see it. We share the same constituency, of which you are a distinguished representative, and I know from our experience that there is confusion. I know that that issue has been raised with the Arburthnot commission, and, obviously, we will have to consider it. That is an example, as is the issue of Standing Orders, of how the fundamental political architecture of this White Paper and the Bill to follow is not up for negotiation because it follows the election endorsement of our manifesto mandate. However, on matters like this, and on the detail of it, I am happy to examine good arguments, and that may be one of them.

Lisa Francis: If the present electoral system in the Assembly is indefensible, as you have suggested today, why did you, as Under-secretary of State for Wales, fail to make known your disapproval of the system when it was brought in?

Peter Hain: I favoured bringing it in because I wanted to see an Assembly that was broader in composition and more representative of Wales, particularly at the beginning of devolution, than would have been the case under a first-past-the-post system. That is why I favoured it. However, what I had not anticipated, and I do not think that anyone did, was the degree of abuse of the system that has occurred. That is what has brought it into



disrepute, and those are not just my words, but those of the former Presiding Officer of the Scottish Parliament, the Electoral Reform Society, a distinguished former Conservative Secretary of State, Liberal peers, and many others. That is the reason.

Dai Lloyd: In an Assembly vote, most Members agreed with the need for a 500-metre buffer zone between open-cast mines and residents' houses. What powers are there now to prevent my constituents in Neath from suffering the ravages of the East Pit's opencast extension in Cwmllynfell?

Peter Hain: There we have it—that is precisely the point that I was illustrating. How can you talk about your constituents in Neath when no-one from Neath elected you? The people of Neath who voted in the Assembly election elected Gwenda Thomas—she is an outstanding representative—and, in the Westminster election, they elected me. So, I do not take your advice on opencast mining in seeking to represent the views of the village of Cwmllynfell, which I am proud to represent. You do not represent it and, therefore, I do not take your views seriously in that respect. If you wanted to ask me a different type of question in a different context, I would be happy to answer it.

The Presiding Officer: Thank you, Secretary of State, for replying to the statement. We may hear from you later, if you catch my eye, as we say.

5 The Assembly Plenary Debate on the Queen's Speech 21 June 2005

National Assembly for Wales, Record of Proceedings, 21 June 2005

The Presiding Officer: I have selected amendment 1 in the name of Jane Hutt, amendments 2, 3, 4 and 5 in the name of David Melding, amendments 6, 7 and 8 in the name of Kirsty Williams and amendments 9 and 10 in the name of Jocelyn Davies.

The First Minister: I propose that

the National Assembly for Wales:

1. *notes the content of the UK Government's legislative programme for the period May 2005 to October/November 2006;*

2. *welcomes the inclusion in the programme of three Wales-only Bills, with a fourth to be produced in draft for pre-legislative scrutiny;*

3. *notes that the following proposed Bills are of particular relevance to the Assembly's responsibilities:*

(a) *the Commissioner for Older People (Wales) Bill (Health and Social Services Committee);*

(b) *the Transport (Wales) Bill (Economic Development and Transport Committee);*

(c) *the Health Improvement and Protection Bill (Health and Social Services Committee);*

(d) *the Mental Health Bill (Health and Social Services Committee);*

(e) *the Children and Adoption Bill (Social Justice and Regeneration Committee);*

(f) *the Work and Families: Child Care Bill (Education and Lifelong Learning Committee);*

(g) *the NHS Redress Bill (Health and Social Services Committee);*

(h) *the Equality Bill (Equality of Opportunity Committee);*

(i) *the Charities Bill (Social Justice and Regeneration Committee);*

(j) *the Education and Skills Bill (Education and Lifelong Learning Committee);*

(k) *the Tourism Accommodation (Wales) Bill (Economic Development and Transport Committee);*

(l) *the Road Safety Bill (Economic Development and Transport Committee);*

(m) *the Natural Environment and Rural Communities Bill (Environment Planning and Countryside Committee);*

(n) *the Animal Welfare Bill (Environment Planning and Countryside Committee);*

(o) the Common Land Bill (Environment Planning and Countryside Committee);

(p) the Marine Bill (Environment Planning and Countryside Committee);

(q) the National Lottery Bill (Culture, Welsh Language and Sport Committee);

(r) the Better Regulation Bill (Economic Development and Transport Bill); and

4. remits the above Bills to the relevant committees for such consideration as they consider appropriate, and requests each committee to report to the Assembly as soon as may be;

5. notes that it is the Welsh Assembly Government's intention, subsequent to the publication of the forthcoming White Paper, to bring forward proposals before the Assembly to establish an advisory committee under Standing Order No. 8.1 to co-ordinate the National Assembly for Wales's response to that White Paper within the deadline for comments. (NDM2487)

I propose amendment 1 in the name of Jane Hutt. In paragraph 3 (e) after 'Social Justice and Regeneration Committee' insert:

and Health and Social Services Committee.

Due to the general election, it is a little over six months since our last debate on the Queen's Speech. At that time, I was able to point to the clear evidence of the fruitful relationship between the United Kingdom Government and the Welsh Assembly Government. Since then, we have achieved even more progress than many thought possible. There are now four Welsh Bills in this May's Queen's Speech—that is probably more than the number of Welsh players that there will be in the Lions test team on Saturday, I fear, although I hope that Sir Clive will prove me wrong, otherwise we will have to cancel that freedom of the Assembly ceremony that we were planning.

Before going on to what will probably be the main focus of this debate, I will take stock of what has happened to the legislative proposals that we discussed in December. The Public Services Ombudsman (Wales) Bill is now an Act of Parliament; it went through in the wash-up session just before the election. The Transport (Wales) Bill was not so lucky, but, having received thorough pre-legislative scrutiny, it is back in the House of Commons and has had its Second Reading. The Commissioner for Older People (Wales) Bill—a world-first in terms of legislation—has already had its Second Reading in the House of Lords. Also, the Tourism Accommodation Registration (Wales) Bill is due to be produced in draft form.

A year ago, that would have been enough of a tally in itself to demonstrate that the devolution settlement is going from strength to strength. That is why I am bemused by David Melding's amendment 2, whereby he wants us to regret the failure to secure more Wales-only Bills, remembering that when his party was in power, there were only three Wales-only Bills in 18 years, whereas we have three Bills and a draft Bill in one year. I am not sure what kind of progression would be enough for him. We have to reject that amendment, and the same goes for amendment 3 regarding making St David's Day a public holiday. Although that is a perennial favourite, and widely wished for, it will clearly not come about because it is not a devolved subject and the UK Government is not in favour of it.



I hope that Kirsty Williams will accept that amendment 6 on the Commissioner for Older People (Wales) Bill has already, in effect, been rejected during the debate that took place on that Bill in the Assembly last Wednesday. Clearly, if we rejected it then, we should also reject it this time. The reason for rejecting it then was that the Bill will allow the commissioner the ability to make representations to the Assembly on any matter, including non-devolved issues. The Assembly, in turn, has powers to make representations to the UK Government on any issue that affects people in Wales.

A long list of other Bills with Welsh interest follows. Some of these have been reintroduced and are being remitted to subject committees again, in case any further consideration is needed. That will be up to the subject committees. Others Bills are at very early stages of development, but can be remitted to subject committees when they emerge. All this shows that the UK Government is continuing to work effectively in partnership with us across a wide range of topics, from children and adoption to the use of common land. On children and adoption, amendment 1 is simply to recognise that since the Bill falls neatly in two parts—court access and inter-country adoption—it is sensible to remit the Bill to two separate subject committees.

I will deal now with David Melding's amendment 5 relating to the Mental Health Bill. This Bill is still some way from introduction, David. There has been extensive consultation, including views expressed by the Assembly, on the pre-legislative draft, as I think you know. We do not yet know how the proposals will be improved as a result of this, but I ask you to withdraw your amendment, as I think it premature. If you do not accept that, I am afraid that I will have to recommend rejecting it.

I now turn to the most significant legislative proposal, as it affects the Assembly's ability to deliver for Wales right across the board. We were elected on a manifesto commitment to enhance the Assembly's legislative powers, to bring the corporate status of the Assembly to an end, and to prevent candidates from standing on the list and in a constituency simultaneously—and that is what the proposals, set out in the White Paper, deliver. There has been an all-round welcome for the proposal to bring about the legal separation of the Assembly and the Welsh Assembly Government; I was pleased to hear the cross-party support for that today, as it is intended to achieve clearer accountability, scrutiny and better use of our resources.

There was a much more mixed reaction to the proposed changes to the electoral arrangements, however. To be honest, all that I have heard—even from representatives of other parties outside the Chamber—has been along the same lines as the Secretary of State was able to quote from, namely that there is support for this proposal as it does not deny anyone the right to stand; it simply stops people from hedging their bets by standing in two sections at the same time. That was a manifesto commitment, and the contents of the White Paper should be no surprise in this regard. People do not understand how candidates who are defeated at the ballot box can emerge as Assembly Members, and we need greater clarity for voters to prevent the devaluation of the democratic process.

David Melding's amendment 4 suggests that there should be a guaranteed referendum on primary legislative powers for the Assembly. However, there would be no point in holding such a referendum without cross-party support for a move to primary legislative powers, which is the reason why I recommend the rejection of amendment 10 in the name of Jocelyn Davies.

The White Paper makes clear that the Bill that will ensue will enable a referendum to be held when there is consensus to hold one. With regard to having primary legislative powers, the paper opens the way for that too, but without the need for another Act after



that which follows the White Paper. That is why I must recommend that David and Kirsty's amendments with regard to that matter be rejected. My opinion, and that of the Secretary of State, is that it makes more sense to let the stronger powers of the third Assembly bed down and be exercised before thinking of a referendum. We are walking pretty quickly already, but we need to learn the process thoroughly before we try to run. That is, in talking about our learning the process of using the enhanced powers that we will have, I am talking about our officials, our lawyers, civil servants, and frontbench and backbench Members. That is what I mean, and that was Ivor Richard's argument too in his supportive speech in the House of Lords last week. We have to learn how to use the enhanced powers before we can think of moving forward.

Also, we must remember what Ivor Richard himself supported. Although the proposals are not identical to those contained of the Richard commission, they transfer powers earlier than recommended by the commission while avoiding some of the contentious issues such as increasing the number of Assembly Members while reducing the number of Welsh Members of Parliament in the House of Commons, reusing the electoral boundaries and the electoral system, and talking about the single transferable vote and the additional member system—all topics that the public finds completely boring.

Kirsty, you raise an interesting point in your amendment 8. It is true that, once the Assembly has these enhanced powers, there will be a need for the First Minister to set out a programme, rather than everything being based on the legislative programme at Westminster. I am not sure that it would be right to tie it to an annual address, however, but I accept the general principle of something being embedded in the next term of the Assembly.

Finally, the motion refers to our intention to establish an ad hoc advisory committee to consider the White Paper in more depth, and a motion to establish this committee formally will be tabled shortly.

David Melding: I propose the following amendments in my name. Amendment 2: add as a new point at the end of the motion:

regrets the failure of the Welsh Assembly Government to secure more Wales-only Bills.

I propose amendment 3. Add as a new point at the end of the motion:

regrets the failure to obtain a Bill to establish St David's Day as an official public holiday in Wales.

I propose amendment 4. Add as a new point at the end of the motion:

regrets the failure to obtain a Bill with a specific commitment to a referendum on the future status of the National Assembly for Wales.

I propose amendment 5. Add as a new point at the end of the motion:

believes that people in Wales with a mental illness would be better served by a designated Mental Health (Wales) Bill.

I welcome the Secretary of State to the Assembly, and I congratulate him on breaking the world record for mentioning John Redwood the most times in our proceedings. John Redwood seems to play the same role in the Assembly's history as Mary Stuart does in

the history of England. Like that Queen, he is rather misunderstood. [*Laughter.*] However, that is not a theme that I could profitably develop today.

On the amendments to the Government of Wales Act 1998 that will be introduced during the next few months, in a spirit of helping the Government and acknowledging the fact that it is making some progress, I want to welcome a few things. The executive/legislative split is to be welcomed; it was probably the weakest thing in the original devolution settlement. At a time when we were asking local government to move away from the corporate structure, we imposed it in Wales. It was a mistake from the start, and I am pleased to see that it will be rectified.

I also welcome the fact that the Assembly will have wider and more permissive powers for secondary legislation, which seems to make good sense. We now have more robust procedures for examining the more important items of secondary legislation, but I warn the Secretary of State and the First Minister that the key to success is effective scrutiny, which will require a change in how our procedures operate.

On the points that have caused sharp division, I will start, naturally, with the referendum. Why not call a referendum now? Why are we afraid of the people? I was distraught to hear the Secretary of State say that he thinks that we would fail to win a referendum. That is an awful judgment on his party's Assembly Government, and it is not satisfactory to say that, some time between 2011 and 2015, we may be in a position where we are mature enough to ask the people of Wales whether we can pass our own laws such as Alderney, Jersey, Guernsey or some other continental colossus.

Leighton Andrews: At the last election, the Conservatives proposed a multiple-choice referendum on the Assembly's future. Are you now adding a new choice to that, based on the views expressed by the new Conservative Member of Parliament for Monmouth that certain powers should be repatriated back from the Assembly to Westminster?

David Melding: I only wish that I could give you an audio tape of some of the private discussions that we had in our group meetings, but, alas, that is not possible. However, I do not hold very similar views.

Devolution as it currently stands in Wales is a halfway house. The White Paper puts new windows into the halfway house, but it does not change its structure. In the light of experience, we can now make a judgment on whether the structure is robust, and we ought to get on with that work. We know why the question will not be put to the people of Wales: it is because they will say 'yes' to primary powers and there will be a consequential cut in the number of Members of Parliament. That would badly affect the Labour Party, which suffered badly in the general election, and did not secure a majority of votes in England. It is an ominous warning that itself will have consequences for devolution.

I will pass lightly over the bizarre proposal to trigger a referendum with a two-thirds majority vote in favour in the Assembly, but a simple majority in Parliament. It seems to be slightly contradictory.

I also warn the Government that the proposal to expand Orders in Council could be a way of introducing primary legislation in all but name, which would be dishonest. At that point, we would need a referendum, and I refer the Secretary of State to Rhodri Morgan's remarks in his statement last week on the White Paper. He said



'Under these proposals a Conservative Secretary of State could say, "Okay, I do not agree with the proposals, but, then again, I do not have to defend them because this is a matter for the Assembly to deal with". We would then agree that it would be a matter for the Assembly to take through, and, therefore, there would be a far greater chance of legislation being introduced by us'.

If these proposals for Orders in Council just make the parliamentary end of the procedure a rubber stamp, you should say so, because that is a disgraceful position. If we have primary powers here in all but name, we should be brave enough to tell the people of Wales that that is what is happening, and we should ask them to vote on whether they want the Assembly to proceed and exercise those powers.

The situation with regional Members is simply disgraceful in terms of the Labour Party's proposals. If the Assembly's system needs radical reform, why not in London? Why not in Scotland? Indeed, why not in the Federal Republic of Germany? Under this system, Herr Kohl would never have been allowed to stand in his Rhineland home town, where he often lost, and then get elected on the list. What a meagre, pathetic vision, to chase down this road and condemn the system that you introduced, instead of adopting a more reasonable response by, perhaps, negotiating a protocol, which would have been fair. There are some difficulties with the present system—[*Interruption.*]

I have always acknowledged that, so you do not have to 'Ah, ah' me.

There are parts of the Queen's Speech that we welcome. Time is running out, so I cannot go into detail. Some of the things that we think are lacking are addressed in our amendments. I particularly welcome the Commissioner for Older People (Wales) Bill. I broadly welcome the Transport (Wales) Bill, but remain concerned about the joint transport authorities that may create another layer of bureaucracy.

Overall, the Government has failed to raise its vision and look to the future to ask what is best for Wales. Instead, it is proposing a patchy comfort blanket for Labour Party supporters to protect them from the chill winds of devolution that have swept through our country.

Kirsty Williams: I propose the following amendments in the name of Kirsty Williams.
Amendment 6: add as a new point at the end of the motion:

regrets that the Older People's Commissioner (Wales) Bill does not allow all non-devolved areas of policy for older people to be a matter for the commissioner for older people in Wales.

I propose amendment 7. Add as a new point at the end of the motion:

regrets the failure of the White Paper to implement in full the recommendations of the Richard commission to give the National Assembly primary law-making powers.

I propose amendment 8. Add as a new point at the end of the motion:

calls on the First Minister to deliver an annual address that sets out a strategic programme for government in Wales.

Like Father Christmas, the Secretary of State for Wales brings his bags of goodies to the National Assembly once a year, and, like all good children, we hope that somewhere in the bag will be something that we actually asked for. As is the experience of many



children on Christmas morning, the bag of goodies holds a few of the things that we would like to see, but, as always, it contains plenty of lavender bath salts and unwearable socks.

Once again, the Queen's Speech fails the people of Wales. It does not introduce a government of Wales Bill to implement the Richard commission recommendations in full and to give the tools to the Assembly that we really need. Indeed, as we have heard, what seems to have excited most interest on the Labour benches is the proposal to change the electoral system to the Chamber. The Labour Party should be reminded that it does not have a monopoly on winning constituencies. From time to time, I can become a little annoyed by activities of some of the list Members in my constituency. However, I absolutely defend the right of Nick Bourne to stand in Brecon and Radnorshire again—and lose again.

Jeff Cuthbert: You talk about implementing the Richard commission's recommendations in full. One of those, on electoral arrangements, was that we should have multi-Member constituencies. Will you explain how that will improve the link between an Assembly Member and his or her constituents, and how you see the system working practically? Do you support that?

Kirsty Williams: Indeed. If you are truly committed to overcoming some of the perceived problems with the current system, the only ways to address the problems are either to include a definition of the word 'local' in the government of Wales Bill—because otherwise nothing will prevent list Members continuing to describe themselves as local—or, as recommended by Richard, to move to a single transferable vote system. It works perfectly well in the Northern Ireland context, where people are fully aware of which representatives represent a particular area in that institution. That is something that the Secretary of State will know about very well from his other role. It works in that context, and I cannot see why it would be beyond the wit of people in Wales to understand it. Those are the only ways to solve the perceived problems that you and your party have with the divide between constituency and regional list Members.

The Queen's Speech is yet another opportunity missed by Labour. The Liberal Democrats would have introduced measures in this Queen's Speech that sought to create a fairer society across the UK, in which people would have their freedoms protected, and their fear of crime reduced. For this parliamentary session, our priorities would have been to scrap student top-up and tuition fees, and the unfair council tax—which has hit so many in Wales so badly. We would have introduced a citizens' pension that would be uprated in line with average earnings and that would recognise the commitment that women have made to this country, rather than penalising them, which is what happens under the current system. We would have reversed the mass means-testing of pensioners and introduced free personal care for the elderly.

We welcome the Transport (Wales) Bill, which will provide the Assembly with a coherent set of transport powers for the first time, enabling the introduction of an integrated transport policy, which everyone in the Chamber agrees that we desperately need. However, this was first asked for back in March 2003 and it is still not a reality. Our inadequate devolution settlement has led to several years being wasted in terms of creating an improved integrated transport system in Wales that serves the interests of the public.

The Liberal Democrats also welcome the Tourism Accommodation (Wales) Bill, but, again, there has been a considerable time-lag, as that was first asked for in March 2003. It is important to ensure that there are minimum standards in the provision of tourist

accommodation, but the scheme should not be allowed to become a bureaucratic burden on businesses, and the devil will be in the detail.

It should not be forgotten that the Assembly Government's proposals for primary legislation for 2005 and 2006 have not been successful at all. The Welsh Language Schemes Regulator (Wales) Bill, the Housing (Suspension of Right to Buy) (Wales) Bill and the Local Government (Town and Community Councils) (Wales) Bill all failed to meet the cut. We should also not forget that there have been a mere four Wales-only Acts passed by Parliament since the dawn of devolution in 1999.

In my last speech on this matter, I made the comparison that the attitude of the rugby team so beloved of the Secretary of State and the First Minister was very much the same as that in this Chamber: it did not matter that we kept losing at rugby, so long as we did it with a bit of hwyl. The point is that the Welsh rugby team's performance has vastly improved; the Secretary of State and the First Minister are still fumbling their passes and dropping the ball when it comes to Wales.

Rhodri Glyn Thomas: I propose the following amendments in the name of Jocelyn Davies. Amendment 9: add a new point at the end of the motion:

The National Assembly calls on the UK Government to ensure that any legislation emanating from the White Paper 'Better Governance for Wales' includes a provision to implement the recommendations of the Richard commission by 2011.

I propose amendment 10. Add a new point at the end of the motion:

The National Assembly believes that any referendum on the acquisition of law-making powers by the Assembly will be triggered by a resolution of the Assembly carried by a simple majority.

These amendments deal with the governance of Wales and with what is proposed in the White Paper. It is interesting to note that the title of the White Paper is 'Better Governance for Wales'. The debate on additional powers for the Assembly often seems to be an abstract one on powers only. However, the simple reason for the National Assembly's needing additional powers is to ensure that we can act effectively. If the Secretary of State is concerned about the outcome of a referendum on the Assembly's having additional powers, one of the reasons for that might be that the Assembly has had a completely ineffective Government for the last six years, which has failed to use the powers that the Assembly currently has effectively, and, because of that, the people of Wales see devolution as having failed.

I remind the Secretary of State of the words of the late Donald Dewar, who was the First Minister of the Scottish Parliament. Prior to the referendum in Scotland, he said that he was not aware of any Parliament anywhere in the world that did not have the fundamental power to create legislation and yet, in Wales, we have a political institution that is supposed to govern but which does not have the fundamental ability to create legislation.

Some of us had the opportunity a while ago to give evidence before a Select Committee of the House of Commons and House of Lords, which was considering the need for a new mental health Act. I believe that that committee accepted what we said, namely that the situation in Wales is wholly different from the situation in England, that the structures in Wales are weaker than those in England, that there is a great need for professional people to work in this field in Wales, that there were situations that were unique to Wales, such as the need for provision through the medium of Welsh, and that, therefore, there is



a strong argument that there should be legislation for Wales. However, it is not possible for us to create, in Cardiff, the legislation to meet the needs of those who suffer from mental illness in Wales.

One of the things that the Government in Cardiff constantly talks about in terms of the Assembly's successes during the first six years is the establishment of the Children's Commissioner for Wales. However, the commissioner, Peter Clarke, has said that his inability to deal with non-devolved matters means that his function and work are completely undermined. That is because of the deficiencies of the constitutional settlement.

We are talking about having a commissioner for older people in Wales. Many of us are yet to be persuaded that this is the best way of meeting the needs of older people in Wales. Some of us would argue that there are many other specific things that could be done to offer them improved services. Although the commissioner has the power to consider non-devolved matters and to present his comments to Westminster, there is no protocol or structure to ensure that any department or Minister in Westminster will respond specifically to what he has to say. Therefore, in such situations, we see the failures of the current system.

The First Minister constantly tells us that with this remarkable system that he has managed to discover, namely the 13.2 plus system, additional powers could be given to the Assembly far more swiftly than Ivor Richard's recommendations would have allowed. However, can the Labour Government in Cardiff and in Westminster guarantee that the Richard commission's recommendations will be introduced by 2011, as Ivor Richard and his commissioners foresaw in the report? It is important to bear in mind that many of those commissioners went into those discussions believing that there should not be additional powers, and that they were persuaded by the evidence presented to them. If it is possible to persuade those commissioners, why do you not have the confidence, Secretary of State, to go out to the people of Wales and argue the case for Ivor Richard's recommendations, rather than creating a system that will mean that we cannot hold a referendum because you are afraid of the response of your MPs in London?

The Deputy Presiding Officer: I intend to call the Secretary of State as the penultimate speaker at 5.15 p.m.. This means that not everyone will be able to speak. However, in order to allow as many Members as possible to contribute, Members will have five minutes each from now on, and six minutes if they take interventions.

Leighton Andrews: I will focus my remarks on the White Paper principally, which is referred to in the motion. It is worth stating at the outset that the Government of Wales Act that will flow from this White Paper will place on the statute book primary powers for the National Assembly for Wales. That is a clear indication of the way in which we are moving in Wales towards having a National Assembly with primary powers. It is also worth stating that those powers will be preceded by stage one proposals that will move faster and go further than the Richard commission's first stage proposals.

Rhodri Glyn Thomas: You referred to the Richard commission, which was set up by the Assembly Government in Cardiff. Why do you think that the commission did not accept the way forward in terms of introducing primary legislative powers that you are now choosing? It sat for two years, took the evidence, listened to everyone and came to its conclusions. Why have you turned down its recommendations and decided to go in another direction, although you have not looked at that evidence?

Leighton Andrews: I heard what Lord Richard said last week in the House of Lords—I saw it on television—and he, I think, welcomed the proposals that have been outlined in

the White Paper. He acknowledged that one of the proposals found a solution that went further and moved faster.

It is important that we place on the record that Labour is taking devolution forward. There has been general agreement on the proposals on the corporate status of the Assembly, and the proper distinction between the Executive and the legislature. One of the consequences of that will be that we will have committees that work without Ministers being present, and they will have a proper procedure through which Members can scrutinise Ministers. I mean no disrespect or lack of affection towards my colleagues who are Ministers when I say that one of the reasons why I enjoy sitting on the Audit Committee in the Assembly is that no Ministers sit on it. That enables us to get involved in the detail of policy, whereas elsewhere issues are sometimes debated in a more partisan manner. Others have talked about the electoral system, which was raised in the statement earlier. I want to say a word or two about the relationship between constituency and regional Members. I heard David Melding talk about the possibility of having a protocol. I would like to pick up one or two principles that exist in the Scottish Parliament, under annexe 5 of the Code of Conduct for Members of the Scottish Parliament, and how it distinguishes between the roles of regional and constituency Members. A key principle is that

'Members of the Scottish Parliament should not misrepresent the basis on which they were elected or the area they serve.'

When it comes to dealing with individual constituents' cases, it states that

'It is expected that in practice, the usual point of contact for a constituent raising a specific personal or local matter will be his or her constituency MSP. In the event that a regional MSP does raise a constituency case, he or she must notify the relevant constituency MSP at the outset unless the consent of the constituent is withheld.'

When Ministers are dealing with trips to constituencies, the guidance is clear:

'Ministers planning to visit constituencies should, as a matter of course, only notify the constituency MSP.'

Eleanor Burnham: If you are so keen on Scotland, why do we not have a proper parliament in Wales, like they have in Scotland?

Leighton Andrews: As I said, the Government of Wales Act that will flow from this White Paper will place on the statute book primary powers for the Assembly.

When dealing with local agencies, the expectation in Scotland is that the constituency Member or Members will be involved as a matter of course. When it comes to describing themselves, it is stated that:

'regional Members and constituency Members must describe themselves accurately so as not to confuse those with whom they deal. Constituency Members should always describe themselves as "[Name] Member of the Scottish Parliament for [x] constituency." Regional Members should always describe themselves as "[Name] Member of the Scottish Parliament for [y] region.'

It also says that

'Regional Members must not describe themselves as a "local" Member for—or having a particular interest in—only part of the region for which they were elected.'

Regional Members are expected to work in more than two constituencies in their region, which means that they are meant to have surgeries in more than two constituencies in their region. That is clearly written down.

Mark Isherwood: I have surgeries in every part of my region and I also point out that in Scotland, there is a greater degree of proportionality and no proposal to prevent constituency candidates from standing on regional lists. Furthermore, the Richard commission stated that in New Zealand and Germany, there was no evidence of friction between regional constituency Members once the system bedded down.

Leighton Andrews: Yes, but there are also proposals in Scotland, and other places, such as the Arbutnott commission, to think about one vote, for example, between the elections for regional and constituency sections. Therefore, it is possible for us to look at examples elsewhere and to make our own determination as to whether or not they would be appropriate. I commend the Scottish Parliament's code of conduct and annexe and hope that the Secretary of State will consider it when he considers the way forward in his consultation on the White Paper.

Brynle Williams: I propose the following amendments in the name of David Melding.
Amendment 2: add a new point at the end of the motion:

regrets the failure of the Welsh Assembly Government to secure more Wales-only Bills.

I propose amendment 3. Add a new point at the end of the motion:

regrets the failure to obtain a bill to establish St. David's Day as an official public holiday in Wales.

I propose amendment 4. Add a new point at the end of the motion:

regrets the failure to obtain a Bill with a specific commitment to a referendum on the future status of the National Assembly for Wales.

I propose amendment 5. Add a new point at the end of the motion:

believes that people in Wales with a mental illness would be better served by a designated Mental Health (Wales) Bill.

I welcome the Secretary of State for Wales. The Conservative amendments are clear, defined and logical and I urge all Members to support them. Eight long years have passed and we continue to hear warm words from our national Government. However, after this long time, I am concerned by the lack of delivery.

I could talk for hours about the problems that face the people of our country, but I will focus my contribution today on housing and rural issues. My colleagues will discuss other topics as the Queen's Speech is debated. The Conservatives support measures to increase home ownership, but, unfortunately, the national Government has overseen a barrage of new stealth taxes on property and cuts to the right to buy, which have helped no-one but the Chancellor. I, for one, would like to know what he has done with the money that he has taken through these taxes, but that is another story.



The Conservatives want to see more affordable housing. I am fully aware that this is a devolved matter, but this is the perfect opportunity to raise my concerns on the subject. I have stated that I would like the public and private sectors to have a key role in providing affordable homes.

It is essential that landowners make sites available at reasonable costs, and that local authorities are more flexible when it comes to planning, allowing schemes on land that would not get planning permission under normal circumstances.

Under Labour, the countryside has suffered increasingly from declining access to rural services including post offices, police stations, community pharmacies, public houses—which are closing by the week in north Wales—and transport to name just a few. Rural communities have long suffered from unequal spending levels, lack of employment opportunities and the loss of revenue outside rural communities to corporate monopolies at the expense of local small-scale retail diversity.

Lorraine Barrett: Do you remember a certain woman called Mrs Thatcher, who started the decline in so many of the areas that you have just outlined?

Brynle Williams: I also remember the gentleman, Mr Blair, who is continuing with this.

We welcome the principles of the Animal Welfare Bill, but remain concerned about the powers conferred on animal welfare inspectors, the legal implications and the practicalities concerning wild animals temporarily in human care. The Conservative Party would repatriate control over fisheries through negotiation in the first instance and, failing that, by domestic legislation. This would enable us to identify marine conservation areas around the coast and work with local fishermen to find local solutions.

In conclusion, First Minister, I can assure you that politicians from this side of the Chamber will continue to hold the Government to account on the promises they have made to the British, and the Welsh, people.

Val Lloyd: I welcome all of the Bills in the Queen's Speech that are relevant to Assembly business, but intend to speak only on the Health Improvement and Protection Bill. I am pleased to say that, last month, a majority of Assembly Members voted to endorse the recommendations of the Committee on Smoking in Public Places. The Health Improvement and Protection Bill announced in the Queen's Speech provides a vehicle for Wales to move forward and introduce smoke-free enclosed public places.

The Bill will provide an opportunity for the Assembly to carry out the recommendation contained in the committee's report, which was described by the British Medical Association as a landmark for health professionals, and a landmark for Wales. The ban will reflect the will not only of Members in this Chamber, but of the majority of the Welsh public that chooses not to smoke. Promoting a smoke-free environment is paramount and will, I hope, act as a catalyst to bring about a culture change and emulate the positive experiences and outcomes seen in other countries such as Ireland.

I am delighted that the Assembly chose to endorse the recommendations of the committee and limit the detrimental impact that passive smoking has on many of our constituents. I would like to take this opportunity to say how pleased I am that it is now possible for the work of the committee to be taken forward by the Health Improvement and Protection Bill.



As Members have heard on many previous occasions, it is estimated that over 1,000 people die every year as a result of passive smoking. The endorsement by Members of the recommendations of the Assembly committee will go some way to reducing this number. Further to this, the proposed restrictions will assist in the public health promotion campaign across Wales, providing education on the dangers of smoking, and supporting people to remain free from the risks of passive smoking.

I note the proposals put forward on this issue by the UK Government, and await with interest the results of the 11-week consultative process. The work already done by the Assembly all-party committee may inform that consultation.

Helen Mary Jones: My reaction to this White Paper has moved over the last week from profound disappointment, though not surprise, to increasing anger. The people of Wales have suffered many indignities at the hands of the Labour Party over the years, particularly in their roles in local government, but seldom have they been subjected to such a weak, self-serving and grubby proposal. This proposal addresses the needs of the Labour Party, not the needs of the people of Wales for good governance. It ignores the recommendations of the Richard commission, particularly those recommendations that make uncomfortable reading for Welsh Labour Members of Parliament. Frankly, it is more about keeping Welsh Labour MPs in work for as long as their terms of office are likely to last. The First Minister and the Secretary of State should be thoroughly ashamed of themselves and so should those people on the other side of this Chamber who know that this is wrong but supported the report of the Richard commission when it was published.

A proper parliament for Wales is not needed only because Wales has the right to be treated as a nation at least on a basis of equality with Scotland, but it is needed to deliver, and the examples are legion.

I will put one example before this Chamber today—something as simple as school transport, which is an issue of great concern to parents in Llanelli and across mid and west Wales, particularly to those whose children attend Welsh-medium schools and often have to travel further for their education. It is bizarre that the Assembly cannot legislate to ensure that children do not share seats on school buses and that they have seat belts. This is such a small matter, but we cannot do it for the people that we all represent, however we represent them. The proposals in this White Paper just do not take us far enough towards giving the powers needed. Essentially, we will still depend on the grace and favour of the Secretary of State and the Westminster Government. I think that we might have some faith in this particular Secretary of State looking with some favour on proposals that come from the Assembly, although, obviously, not all of them. However, we cannot set up a system that depends on the individuals and the political parties remaining in the same balance. That is absurd.

The First Minister has referred to these fast-track proposals as outsourcing Parliament's work. I put on record this afternoon, Deputy Presiding Officer, that, in my opinion, this Assembly is the democratic voice of the people of Wales and not a call centre. All parties in Wales compromised to accept the proposals of the Richard commission. We in Plaid Cymru—The Party of Wales advocated in our evidence going quite a lot further. We asked, for example, for tax-varying powers that would, for example, enable us to vary corporation tax, to protect the manufacturing jobs that have been haemorrhaging out of Llanelli and mid and west Wales in recent years. We asked for powers over policing and criminal justice to enable the community safety issues that plague so many of our communities to be effectively addressed. The Richard commission decided not to accept those recommendations but we were prepared to swing behind those recommendations that were finally put forward as a sensible compromise and a coherent package. Frankly,



after spending £1 million, hundreds of hours of evidence taken and tonnes of paper evidence submitted, we expected all others who had engaged in that process to do that.

There is a national consensus around the need for a proper parliament, and there is evidence for this, unlike, for example, the Labour Party's repeated assertion about confusion over the roles of list Members. I invite the First Minister and the Secretary of State to place in the Assembly library any evidence that they have that demonstrates that members of the public are confused. I am prepared to listen, because I do not like this system any more than many people do. I believe that the Richard commission is right and that we could have reasserted that link between Members who represent local areas and retain proportionality through the single transferable vote. Again, I know that this is a view shared by many on the other side of the Chamber who lack the courage to say so now.

It is time, Deputy Presiding Officer, to allow the people of Wales to decide for themselves on the comprehensive substantive proposals of the Richard commission and to kick this feeble internal Labour Party compromise into touch.

Lorraine Barrett: I was grateful that Brynle Williams started to talk about the real issues that affect the people of Wales. I think that enough people on all sides have talked about the constitutional navel-gazing this afternoon. I will focus my contribution on two specific Bills, one of which is of relevance to my constituency and the other which is relevant to me, personally.

The first is the Violent Crime Reduction Bill. I think that we all remember how it was just before 1997 and Labour's landslide. Police numbers were falling, recorded crime was double what it had been in the 1970s, detections and convictions were going down, and anti-social behaviour was a menace without restraint. Thankfully, times have changed, and Labour's historic third term is the chance for a further step change.

Helen Mary Jones: You refer to constitutional issues as navel-gazing. I will give you an example of where that is not the case. Your Minister for Social Justice and Regeneration said in the Chamber last week that she thinks that we need police powers devolved so that we can deliver effectively on the agendas that you are talking about. So, this is not navel-gazing, but talking about delivery.

Lorraine Barrett: I think that it has seemed like a bit of navel-gazing to me this afternoon, as it seems to have been the only issue discussed, but I do not deny that it is important that we have these powers.

Last Friday, along with Alun Michael, the Member of Parliament for Cardiff South and Penarth, I met residents of Rhymney, whose lives are made a misery by anti-social behaviour. In Penarth, we have regular incidents of such behaviour in various parks in the town. These incidents are related to one issue—alcohol. This is why the Violent Crime Reduction Bill will be welcomed by my constituents. Not only will the Bill address the issues of tougher laws on the sale of replica firearms and raise the minimum age for knife purchases from 16 to 18, but, more importantly, it will give the police new powers to impose immediate 24-hour bans on pubs that persistently sell alcohol to under-18s. I would like to ask whether there is any opportunity to extend those powers to include pub landlords who continue to sell alcohol to those who have obviously had enough. New alcohol-disorder zones will ensure that licensed premises will contribute to the cost of dealing with alcohol-related disorder until things improve. This is something that Jonathan Morgan raised in his short debate, and it was something that I mentioned in terms of wanting to see pubs and clubs contribute to the bill that we all have to pay



Eleanor Burnham: How does this lie in tandem with extended opening hours? Do you not think that that is also a huge problem?

Lorraine Barrett: As someone who does not drink, I do not have a particular interest in the number of hours in which you are able to drink. However, much of the evidence from the police and other countries shows that if you extend the length of time that people have to drink, you do not get the mentality of throwing back as many lagers as you can in three or four hours. Whether it works depends on how responsible the landlords of these pubs and clubs are, and on how the police manage the number of licences issued to allow pubs and clubs to open for longer. Local authorities will now have the power to decide whether or not to give a late licence. Pubs will not automatically be open for 24 hours, so we have control at a local level in managing that.

It will not come as a surprise to anyone that, this year again, I welcome the Animal Welfare Bill. I was disappointed that the Bill was not mentioned in the Queen's Speech but appeared in the background notes. That may be because it was almost completed before the last election; maybe the Secretary of State could say something about that. To me, as chair of the animal welfare group in the Assembly, this is important legislation. It will contain a number of key measures, including placing a duty of care on those responsible for animals, and extending legislation beyond the current agricultural context to include companion animals in our care. As the Secretary of State will know, much of the nitty-gritty—the regulations and the code of practice that will apply in Wales—will need to be determined by the Assembly. I would like some clarification regarding the timescale for this work.

The Bill presents a real opportunity at last for a final and absolute ban on all animals performing in circuses. You have all had my e-mail about the tragic tale of Anne the elephant, who is still trundled around the country with the Bobby Roberts circus. She is 52 and suffers great pain due to arthritis, and I believe that it is time that everyone boycotted not only this circus, but all those that use animals. I would like to see such a ban contained in the forthcoming Animal Welfare Bill.

Jenny Randerson: Despite the Welsh Liberal Democrats' disappointment with many aspects of the Government's White Paper on the Assembly's powers, it is heartening to reflect that this will be one of the last times that we will have to go through this procedure, whereby we wait anxiously for the Queen's Speech to see what crumbs have dropped from Tony Blair's table. I must say that he must be a very tidy eater, because he drops very little in our direction each year.

I very much support the idea of having a First Minister's annual report, with a strategic plan for the year ahead. There is a need for the Assembly to rapidly gear itself up for greater legislative power and greater scrutiny. I hope that the committees listed in today's motion will use the opportunity to put forward proposals on current legislation—the current Bills before the House—for wider powers for Wales on those issues. Forgive me if I sound cynical, but, as Chair of the Business Committee, I see an awful lot of legislation, and a clear thread runs through it all—namely, the unwillingness of UK Ministers to part with any tiny sub-clause of their powers. I am therefore concerned that, despite the ingenious mechanism that has been mapped out in the White Paper, in practice, the Government of the day—even if it is of a similar political colour to the Government here—will have a tendency to narrow down the powers that it gives us.

I am also concerned at the rubbish, to be frank, that has been peddled here about regional Members, and I think that I am allowed to say this, as a constituency Member. Remember that this is the Labour Party's system. This is the system that suited it well



when it shoehorned Alun Michael in here at the last minute. However, the Secretary of State went further today, and said explicitly that regional Members are elected by no-one. That seriously undermines interest and participation in the democratic process. Voters out there could reasonably ask, 'Why do we bother to vote in the regional election?'.

Jocelyn Davies: On that point, you will remember that, during our last Assembly elections, I believe that 85 per cent of the Labour candidates were dual candidates. Furthermore, all of its ethnic minority candidates were regional list candidates. What does that say about Labour's attitude to its ethnic minority members?

Jenny Randerson: I agree. Our colleague, Sue Essex, whom we all respect greatly, could well be someone who may look forward to the need to be a dual candidate in future.

Leighton Andrews: Will you give way?

Jenny Randerson: No. I am sorry, I have to move on.

Looking at the outcome of this change, assuming that it goes through, we will still be in the situation where there are regional Members, and where those regional Members will be doing similar things to constituency Members. The Welsh Liberal Democrats support the Richard commission's recommendations, and the single transferable vote system. I challenge the Labour Party: you say that the current system is not satisfactory, and we agree, so why do you not change it properly?

I will move on to other measures, to avoid navel-gazing, as Lorraine seems to think this is. A commissioner for older people is only a worthwhile measure if he or she will make a real difference. As the proposal stands, this is a fudge. We are in danger of producing a hotchpotch of measures. Similar sorts of matters have arisen in relation to the Children's Commissioner for Wales; only matters relating to devolved issues will be able to be referred to the older people's commissioner. The post will only be useful if it is a one-stop shop. People will not know what they can refer to it and what they cannot. It will be a source of frustration, as it currently is, and an impotent commissioner will not do anything for older people. If we really want to do something for them, we need to axe the council tax, introduce local income tax, and do something about free personal care for the elderly and the level of pensions.

John Griffiths: Does that mean that you do not think that the children's commissioner is doing a good job on behalf of children in Wales?

Jenny Randerson: He is doing an excellent job, but he is doing it because he is speaking out, contrary to how the Government perceives the case to be. However, the weakness of his position is that he cannot enforce any kind of response from the UK Government on non-devolved issues. That is a real problem for him, which he would recognise.

Briefly, on the Health Improvement and Protection Bill, we have been asking for this for two and a half years. It would have been great to have had this crumb earlier, but I am sure that we will make good use of that power now.

Finally, on the new Mental Health Bill, I want to make absolutely clear that the Welsh Liberal Democrats have great concerns about this. The previous draft versions have been heavily criticised for being too focused on—

The Deputy Presiding Officer: Order. Sadly, your time has run out.



Gwenda Thomas: As Chair of the Committee on Equality of Opportunity, I welcome the reintroduction of the Equality Bill in the UK Government's legislative programme for 2005-06. The Committee on Equality of Opportunity will be scrutinising the Bill in detail next Thursday. In doing so, it is fortunate to be able to draw on the knowledge and expertise of its advisers from key equality bodies in Wales, including the three statutory commissions for race, gender and disability.

In addition to setting out the framework for a new commission for equality and human rights, the Bill should also be welcomed for its extension of equality legislation to support equality strands not currently protected, including age, religion and belief, and sexual orientation. Having said that, committee members have shared the disappointment among equality practitioners that the new commission will not be preceded by a single equality Act to create a truly level playing field of equality legislation across the various strands.

The setting up of the equalities review to take forward this work, which will be steered by the new commission when it comes into force, is a welcome step in the right direction. Wales must be fully represented in the transitional arrangements to the new commission. This includes appointing a commissioner at the transitional stage, not just when the CEHR is fully functioning. It is vital that Welsh arrangements are developed in the context of the Assembly's unique statutory equality duty, as set out in section 120 of the Government of Wales Act 1998, and take account of the Welsh approach to children's rights, older people's rights, and the Welsh language.

Wales also has the highest proportion of disabled people in Great Britain, and so it is vital that close working relationships exist between the Wales arm of the new commission and the commission's central disability committee. A prime concern is whether the new commission will be able to effectively support individuals in Wales in the same way as the statutory equality commissions currently do.

While the Equality Bill sets out the framework for the new commission, it is inevitable that the devil is in the detail, and how exactly the commission infrastructure will operate in Wales has yet to be decided. As an Assembly, we should be exercised about those details because of the direct impact that they will have on the most vulnerable people in our Welsh communities.

Glyn Davies: The recent Queen's Speech was very long—too long, in my personal view. I was disappointed to see in that speech a Bill to introduce the deeply illiberal measure of identity cards. However, like other speakers here, I want to comment on the proposal to enhance the powers of the National Assembly, which led to the White Paper and was the subject of a statement by the Secretary of State for Wales earlier this afternoon.

There are three essential proposals in the White Paper, the first of which has much support across the board. My political colleague, Lord Griffiths, has described it as the original idea of the body as it was constituted, as a triumph of hope over reason. That is how it has turned out. The accountability of the Government will be greatly enhanced here by the new arrangements.

The second issue is the method of election. I do not want to dwell on this, but I disagree with the Labour Government's proposal on this. The Secretary of State has defended the indefensible today with great skill and humour, but I believe that he will grow to be ashamed of the stance that he has taken. He reminded us today of his days as a Young Liberal, and in those days, I greatly admired his stand and the way in which he became



associated, in my mind, with the pursuit of democracy. I think that he is sacrificing that reputation by pursuing this proposal.

The most significant part is the roadmap to the exercise of law-making powers. This is an interesting proposal, especially for those of us who advocated that the Government will not become truly accountable to the people of Wales until full law-making powers are devolved to the National Assembly in those areas. That is the view that I have taken; it is not a view that everyone in my party agrees on, nor is it a view that everyone in the Labour Party agrees on. There has been much debate about it in both parties.

This week, I read comments from Ed Balls, who has been quoted in the newspapers as agreeing absolutely with that view. The position of Mr Balls is important, because it is likely that his mentor, Gordon Brown, will eventually assume the leadership of the Government. That is, of course, unless the current Secretary of State's ambitions are more successful than Mr Balls's—we cannot be sure of that. Mr Balls may well become a significant player, and it may be that Welsh Labour MPs will prevail upon him to change his views, but I very much hope not. My point is that it is a view that, in terms of making devolution work, is shared by many people in his party, in mine and other parties too.

I am not going to dismiss the Government's proposal out of hand, although I agree with Helen Mary Jones that it has largely been framed by the interests of the Labour Party rather than any desire to promote devolution in Wales. The strategy behind it has been deeply flawed, but it is a proposal that we must take seriously. When the Presiding Officer here describes this as:

'law-making powers in all but name'

those of us who want to see the sort of arrangements that I want to see must take serious note of what has been put before us.

Had my party won the general election, we would have put forward a referendum, which would have offered the Welsh people full law-making powers. I have heard other people, including the Secretary of State earlier today, point out one of the other options, which would have been the abolition of the National Assembly. I believe that more and more people within the Conservative Party and right across the board in Wales want to see us given law-making powers. If that option had been put—and my view is different to the Secretary of State's—I think that the majority of people might well have chosen that option. However, we are where we are.

Jeff Cuthbert: Can you then explain to us why the shadow secretary of state is so keen that the option of abolition be there? Would you undertake to argue strongly within your party against its inclusion?

Glyn Davies: I wish that Jeff would listen to what has been said before he makes his interventions. I made it absolutely clear that there are many in my party who seek that option, who include the shadow secretary of state and others whom I could name. I have also made it clear how I would be arguing if there were a referendum. I am repeating what I said before, Dirprwy Lywydd, and I am sorry about that, but when you have interventions from people who have simply not listened to what you have said and have some preordained position, then that is what is going to happen.

There is an element of seeing how this works. I will say this in the Chamber, because the Secretary of State is here and may well have some influence on these things, that, if it turns out to be successful, I hope that they will move towards the sort of law-making



powers that Richard proposed rather more quickly than the 2015 date that I have heard mentioned. As it is almost certainly going to happen in four or five years' time, when the Conservative Party becomes the Government of the United Kingdom, it is entirely possible that the Conservative Party will take that view up, because of its logical nature. The Labour Party also thinks that, because that can be the only possible reason why it has put in the blocking mechanism of this two-thirds majority vote in favour. I hope that, during the passage of this Bill, the dual mandate proposal and the particular proposal about the two-thirds majority will both be withdrawn, so that all parties can support it.

Alun Ffred Jones: In considering the Queen's Speech on the one hand and the paltry and uninspired White Paper on the powers of the Assembly on the other, one realises just how much a full parliament could do for Wales, and how irrelevant so much of this speech is for Wales. I will consider only two areas: the Welsh language and its future and housing in Wales.

I was born in Brynamman, in the south Wales coalfield, and brought up in Llanuwchllyn in north Wales. When travelling from one location to the other as a child, had I stopped to speak to anyone, I could ask a question in Welsh and expect a response in the same language; not so today.

As Professor Carter's research shows, the disappearance of Welsh-speaking communities where more than 70 per cent of the population speak the language, is a disgrace and requires determined and energetic action, if we are to turn the tide. Legislation alone cannot change linguistic trends, but it offers an important framework. Although no less a person than the chair of the Welsh Language Board acknowledges the need for new legislation in this area, there is not a word about it in the Queen's Speech. Almost all politicians support the words of the national anthem—'may the ancient language continue'—but taking determined action to safeguard the language is another matter altogether. If you look at the Government itself and the new licensing forms, these were published in English in February, and here we are, in June, still awaiting the Welsh-language versions.

That should not come as a surprise, if you consider local government, an area for which the Assembly Government has direct responsibility. Among the hundreds of core performance indicators local councils collect for 2005-06, not one refers to the Welsh language, its use or services offered through the medium of Welsh. That is the level of commitment.

On housing, which is central to the discussion on Welsh-speaking communities, but which also affects everyone, consider this: according to the 2004 figures, house prices in Gwynedd have increased 150 per cent since 1997—20 per cent higher than the average for Wales. Currently, only 5 per cent of all houses for sale in Gwynedd are affordable. Homelessness figures continue to rise, and what is New Labour's response? Gordon Brown's solution is to allow the rich to include houses—second and third homes—as part of their private pension plans. It is incredible that Welsh Labour Members of Parliament can go to Westminster to promote plans that work in favour of the wealthy at the expense of young people who are starting out in life.

Gwenda Thomas: As well as condemning the Labour Party's commitment so harshly, will you accept that Plaid Cymru is not the party of devolution, but a party that sees devolution as nothing more than a step towards full independence?

Alun Ffred Jones: The purpose of seeking more powers for the Assembly and a full parliament in Wales is to act on behalf of the people of Wales and to better their living



conditions. You only have to look at the communities in your area to see what 100 years of governance from London has done for Wales.

It is interesting that there has been talk in the press over the weekend that the Westminster Government is considering creating a new commission to look at the problems of rural housing. It mentions legislating to stop the increase in second homes. There is not a word about it in the Queen's Speech, but that is the kind of action that we should be taking in the Assembly, had we the power to do so. The Assembly Government, with Plaid Cymru's support at least, has asked the Westminster Government for the right for councils to abolish the right to buy scheme in areas where there is particular pressure on the housing market. That would greatly benefit rural councils in areas such as the Llyn peninsula where there is literally only a handful of affordable houses on the market.

Once again, New Labour and Tony Blair, with his right-wing agenda, have not listened. What use is this special relationship between the Governments in Cardiff and London? Those are only two examples that prove how necessary a full parliament is in Wales, so that we can act on behalf of our people.

Peter Black: As a regional member whose constituency includes Neath, it is always a pleasure to see my constituent, the Secretary of State for Wales, in the Chamber. I have heard a great deal today about what regional Members should not be and should not do, but little about what the role of regional Members is. That is a debate in itself, which we may want to have. I have my views and my ideas about what regional Members should be doing, but we are not hearing anything constructive from the other side about what the role of regional Members should be in the Chamber. From my party's point of view, as has been pointed out by other speakers, we would like to see a single transferable vote system, therefore there is no distinction between constituency Members and regional Members, and everybody is equally representing the same constituency and electing them to the same system. That is the best way to achieve parity.

In his response to Mike German, the Secretary of State said that he thought that, as Liberal Democrats, we would naturally support the holding of referenda. Referenda have their place, and I am not opposed to them in principle, but we live in a representative democracy, in which we elect people to make decisions on the basis of facts and according to the merits of a particular case. With referenda, we have to pick and choose our moment. Referenda—or plebiscites, as they are often known on the continent—have a dodgy history, as they have often been used in the past to reinforce a particular view. I support the holding of referenda, but I also think that we have to build up a case and put it to the people. The White Paper announced in the Queen's Speech is a start. I would like to move faster towards full powers and towards having a referendum on those powers, but, as a Liberal Democrat, I am also interested in people and their rights. That is the point that I wanted to make: in discussing this Queen's Speech, we have more than this White Paper to talk about, and Lorraine Barrett made that point well.

I would like to talk about identity cards, about which I spoke in the debate on the previous Queen's Speech. I had rather hoped that, following the intervening general election, the Government might have abandoned this rather crazy idea. The cards have to pay for themselves, and because the technology is expensive and will be difficult to make work, people will, effectively, be charged £300 each to have an ID card. I have described it in previous debates as the Labour Government's poll tax. The idea that ID cards might be used to access services is yet another step too far, as it will, effectively, disenfranchise people and prevent them from accessing services if they cannot afford or do not want to have an ID card, or if they are disadvantaged, inarticulate or unable to speak up for



themselves. Compulsory ID cards are unnecessary and intrusive, and infringe civil liberties. More importantly, these cards will not do what it stated on the tin. They will not help to protect this country in any way from terrorism—the terrorists in Spain had ID cards. They will also not make us feel more secure. If anything, they will aid identity theft, because there will be one single form of identification that can be stolen. In that sense, it might aid and abet criminals and even lead to the creation of new criminal offences. In that regard, they are to be regretted.

Quickly, as we are running out of time, I will mention one other Bill, the Religious Hatred Bill. This is a fundamentally illiberal piece of legislation that will further curtail free speech in the UK. It will stop legitimate criticism of religious beliefs and customs, as well imposing limits on satire and comedy, and I hope that we can oppose that Bill and that it will fall at the parliamentary hurdles.

The Deputy Presiding Officer: Thank you, Peter, for being succinct. There are three speakers that I would like to get in—Elin Jones, Mark Isherwood and Jeff Cuthbert—if I can. I would be grateful if Members can keep to three minutes, but I cannot impose that at this stage.

Elin Jones: I have a short contribution to make, concerning a matter that stems from the publication of the White Paper on governance, which is the future of legislation on the Welsh language. It is completely reasonable that the National Assembly should legislate on the Welsh language—the Government of Wales Act 1998 acknowledges that in principle, but without providing the Assembly with the powers to act upon that. Primary legislative powers would allow the Assembly to legislate on the Welsh language, but what about Labour's option in the proposal for Orders in Council? Orders in Council could be drafted that would allow the Assembly to legislate on the Welsh language—one Order could be passed in Westminster, and that would give the Assembly the right to create Orders or secondary legislation when it wished to on the Welsh language and related policies. There would be no need thereafter to bother Westminster in order to discuss legislation or Orders in Council on matters such as the Welsh language that are only relevant to Wales.

Is anyone prepared to argue that the Assembly should not legislate on the Welsh language? The White Paper on governance, in clause 3.18 prohibits the framing of any Order to give the Assembly powers over entire areas such as the Welsh language. Therefore, the opportunity to transfer the right to legislate on the Welsh language to the Assembly is rejected by Labour in the White Paper. I hope that the consultation on the White Paper will allow the Secretary of State to reconsider and see that there is an opportunity to give full powers to the National Assembly through an Order in Council on the Welsh language, and that that possibility should not be prohibited by legislation. It is the people of Wales, and they alone, who should decide the future of the Welsh language.

Jeff Cuthbert: Labour in Wales and Westminster have raised the glass ceiling on opportunity and social justice in Wales, but that ceiling has yet to be removed. Much work remains to be done to secure greater job opportunities for young people in Wales and to continue to drive up improvements in our public services.

The 'Better Governance for Wales' White Paper signals a logical and practical package of measures that will increase powers in step with the Assembly's growing confidence and competence in the arena of primary legislation and its drafting. As the real Member for Caerphilly, I welcome the abolition of the anomaly of the so-called 'Clwyd West' question.

It is a positive step forward and it will strengthen the devolution settlement by allowing the people of Wales a fair and transparent deal at the ballot box.

As a member of the Committee on Smoking in Public Places and a supporter of a ban on smoking in enclosed public places, I am delighted to see that Wales will be given great flexibility in implementing a ban of its own, and I endorse the comments made earlier by Val Lloyd.

We must also continue the progress already made in securing the same commitment to quality vocational skills as we do for academic education, which is why I welcome the Learning and Skills Bill. Choice is not a dirty word, and ensuring all institutions and courses are fit for purpose is vital if we are to continue to drive up standards and learners' attainment in Wales.

I welcome the Transport (Wales) Bill. As chair of the Objective 1 programme monitoring committee, it has become clear to me—even in the era of broadband-enabled Wales—how vital transportation infrastructure remains to achieving our economic development targets. The Bill will enable Wales to take forward a truly integrated transport policy and allow the Assembly Government to arrange public transport services that best suit local needs. It will also allow the Assembly Government to continue with the £8 billion, 15-year transport programme that will deliver a world-class integrated transport system throughout Wales. It will ensure that our gateways to industry are improved as well as the key in-roads into historically deprived communities, which will benefit a great deal from the new investment that would flow from road improvements.

The Queen's Speech is a positive package of measures that will allow the Assembly Government to continue with its progressive agenda of service improvements and reform. The flagship Government of Wales Bill, the Transport (Wales) Bill, the groundbreaking Commissioner for Older People (Wales) Bill are all signs that the key issues affecting Wales are on the agenda in Westminster, and the Labour partnership in Wales and Westminster is focused on delivering real change for the people of Wales.

Mark Isherwood: After more than a decade of manipulation and marketing spin, not-so-new Labour has well and truly passed its sell-by date. This sham of a political party does not possess the ethical status to call for

'a greater sense of mutual respect in society'

as it did in the Queen's Speech. It promised to reduce poverty further, yet poverty and inequality have increased during Labour's period in office. Under Labour, Wales has lower prosperity and a lower base in skills than any other nation or region in Britain. Labour's housing cuts have generated the crisis to which Alun Ffred referred, namely the 75 per cent reduction in the number of new build affordable houses since Labour came into power.

In its response to the Queen's speech, the British Chambers of Commerce stated that

'The Government is failing to listen to business'.

The Conservatives will support any effective action to tackle eight years of Labour failure on crime. With violent crime up 83 per cent, 1 million violent crimes last year alone, gun crime having doubled since 1998, and only one in five crimes being cleared up by the police, it seems unlikely that things will improve while Labour is in the driving seat. This Labour UK Government has recycled its promise on welfare reform yet again, when the



reality is that its New Deal welfare-to-work scheme has utterly failed. Only 37 per cent of those leaving the New Deal for young people scheme find a 'sustained job', which is defined as a job lasting for just 13 weeks, and there are now over a million young people not in work or education, including 54,000 in Wales.

On Africa, which no-one has mentioned yet, African people will only get the peace and prosperity that they deserve if they have fair trade, honest government in accordance with the rule of law, a reduction in agricultural tariffs, and an end to export subsidies. However, it remains to be seen whether Mr Blair will emphasise these anti-poverty reforms in his brinkmanship over CAP reform, and, as the Make Poverty History campaign told me last weekend, he has not even mentioned Zimbabwe in his recent speeches on Africa.

Labour promises a pensions Bill, but it will not make progress unless it admits that our pensions are in crisis. Since 1997, over 10,000 pension schemes have started winding up, and 80,000 people have lost retirement savings. Nearly half of all pensioners have been driven on to means-tested benefits, and Gordon Brown's £5 billion-a-year tax on pensions has fuelled the crisis. In fact, as Labour MP, Frank Field said,

'when Labour came to office we had one of the strongest pension provisions in Europe and now probably we have some of the weakest'.

The European Union Bill promises to bring the European constitution into force, unless it is rejected in a referendum. However, it is wrong for the referendum and the ratification of the constitution to be included in the same Bill. Of course, this has now been overtaken by events, and, last Friday, we learned that an agreement has been reached on stopping the ratification process—an agreement that, rather than scrapping the process, merely extends the deadline for countries to agree the constitution. As the German Europe Minister said, the European constitution is

'the birth certificate of the United States of Europe.'

Noting the statement last week by Mr Blair's close confidant, Peter Mandelson, that

'Europe would be mad to scrap a painfully established consensus',

we must question whether the decision to delay ratification, rather than scrap the whole process, is a ruse by EU leaders in the hope that interest in the constitution will die down and that they will be able to press ahead with ratification at a later date, whatever the democratic will of the people.

Proposals to reform the National Assembly for Wales that will lead to a formal separation of powers, between the Welsh Assembly Government as the Executive and the National Assembly for Wales as a legislature, are to be welcomed. However, I must say that proposals to stop constituency candidates from standing on the regional list are a constitutional disgrace. It is right and proper for governments to propose changes to the electoral system, but it is wrong and improper for governing parties to dictate to other parties how they should select their candidates. That is the road to electoral dictatorship, and you should be ashamed of yourselves. Labour's proposals do not change the electoral system one jot. They may change some faces in the Chamber on both sides, but what some Labour Members seem to fail to understand is that, under Labour's proposals, they will continue to share their constituencies with four regional Members. Therefore, 99 per cent of the objections that you have put up today are completely and utterly irrelevant. These proposals threaten to give powers to party managers to place candidates according to narrow electoral advantage—I know that Labour already does that, but my



party does not—rather than allowing party members to select democratically their constituency candidates, and then democratically rank them on their party regional list, one member, one vote, so that the electorate may choose how it wishes to proceed. The bottom line is that the contradiction in terms that is New Labour has corrupted and debased most of what it has touched. It is a regime rather than a government, which has profited and profiteered from office, practised nepotism on an extensive scale, sold peerages, packed the Lords with—

The Presiding Officer: Order. You have had five minutes.

Peter Hain: All I can say on Mark Isherwood's speech is there goes the voice of a shrill Tory in the wilderness. I want to express my gratitude to Assembly Members for the courtesy that they have shown me, and for the welcomes for many of the proposals in the White Paper and the Queen's Speech. Many good points have been made about the Queen's Speech, but unfortunately, I will not have time to answer them all.

I enjoyed the irony of Dai Lloyd and Peter Black in referring to me as one of their constituents. Speaking of my constituents in Neath, I note that Dai Lloyd was defeated in Swansea West and that Peter Black was defeated in Swansea East, and now they are claiming to represent those constituencies.

Nick Bourne: Point of order. They are not claiming to represent those constituencies; they do represent those constituencies.

The Presiding Officer: Order. I have ruled on this matter today and, tediously, many times before. The position has not changed, and I am sure that the Secretary of State, as he is here as a statutory guest at our proceedings, will abide by my ruling.

Peter Hain: Of course, Llywydd, as I always abide by the rulings of the Speaker, whether or not I agree with them.

I welcome the thrust of the contributions made by David Melding and Glyn Davies. Some of their points, especially those of Glyn Davies, were interesting, and perhaps those two Assembly Members are the sole surviving representatives of one-nation Conservatism, which used to win general elections. On David's question on the corporate status of the Assembly, I believe that that will make for better scrutiny and that is one of the advantages of putting it in. I was intrigued by the chink of light that he provided into Conservative group meetings, and perhaps we will see whether the Freedom of Information Act 2000 will apply to Tory group meetings. Perhaps I will include that in the Bill as a late amendment, Llywydd.

Mike German asked me whether it might be possible, under the Order-making procedures, to introduce a local income tax. That would depend on what the proposal was, but I doubt whether it would be possible to bind and instruct the Inland Revenue, which is a reserved matter, to collect taxes on behalf of the Assembly.

Kirsty Williams raised questions about the delay with the Transport (Wales) Bill. That Bill has been transported into legislation, with the general election intervening and delaying it slightly, just as soon as it could have been with the pre-legislative scrutiny. However, under the new powers that we are proposing, the process would be even quicker and she ought, therefore, to support it.

Rhodri Glyn Thomas asked for an early referendum. Be my guest, Rhodri. Go ahead and call a referendum if you wish, because I think that it will go down. That is the point. There is a real danger of those who demand early referenda reflecting—

Ieuan Wyn Jones: Will you give way?

Peter Hain: I will in a second.

There is a danger of their reflecting the views of the chattering classes in Wales, and we know what has happened elsewhere in Europe: the Brussels bubble has projected a particular position and has found the people of Europe rejecting that position. I think that we ought to be careful. This is not an argument about the principle of primary powers, as Leighton Andrews pointed out; I will be legislating, for the first time in the history of Wales, for primary powers to be provided, and I am proud to be doing so. The issue is when we can find a consensus to move towards that.

Ieuan Wyn Jones: The Secretary of State has indicated that he does not think that this consensus applies in Wales, while others think that it does. If the next Assembly were to have a two-thirds majority in favour of having a referendum earlier than he envisages, would he be out campaigning for a 'yes' vote?

Peter Hain: I would have to take account of what the Assembly said, and if the Assembly voted by a two-thirds majority to ask me—if I was Secretary of State for Wales at the time—to take forward an Order in Council, I would have to consider the situation. However, I think that it would be very unwise—[*Interruption.*] Ieuan Wyn Jones sighs, but I do not think that it is serious politics to propose a referendum from an opposition bench, and to posture and pose on the matter, when people know that it would not carry through the people of Wales. I want to be in a position to go for primary powers when that will be the situation.

Leighton Andrews very eloquently made the point about the code of conduct in the Scottish Parliament, and I will look at that in taking forward the proposals of the White Paper and the Bill in terms of the relationship between list Members and constituency Members.

Brynle Williams complained about the lack of delivery. What about the delivery of full employment, or near full employment, across Wales, with more jobs than ever before in the country's history? What about the delivery of economic stability, which has brought greater prosperity to Wales, with lower mortgages, interest rates and inflation, and more growth than was ever achieved under recent Conservative Governments?

Brynle also asked about home ownership. There is a problem regarding first-time home owners, and I wish to mention our policy in respect of that. Under this Labour Government, 1 million more people in Britain, including Wales, have become home owners. That is a record to be proud of, and we are proud of it. We have seen record spending in terms of providing more nurses, teachers and police officers, and stronger public services throughout Wales. In respect of affordable housing, we are coming forward with schemes to help first-time home buyers.

Helen Mary Jones seemed to be almost beside herself with frustration that the Labour Government is proposing to introduce primary powers for the Assembly. She described it, during what I think was a flight of rhetoric, as 'a grubby Bill'. This 'grubby Bill' will for the first time deliver onto Parliament's statute book the commitment to primary powers. This will make it much more difficult, under a future Conservative Government, for the Tories

to resist any demands from the Assembly for primary powers and a widespread demand for such powers from Wales to protect it from Tory attacks like those that we suffered under previous Governments.

Carl Sargeant: Today, the directly elected Members have not given you the full picture. Helen Mary asked for evidence that people in Wales do not know that there is a clear difference between regional Members and directly elected Members. I have evidence in that people have used the words 'cherry-picking glory hunters' and 'I thought that he had lost, Carl'. He had lost to Sandy Mewies; they all lost. These regional Members come here and take total advantage of their position. Secretary of State, what I ask you—
[*Interruption.*]

The Presiding Officer: Order. The Secretary of State is taking an interesting intervention.

Carl Sargeant: I ask you, Secretary of State, when you look at the Standing Orders, to give these regional Members a role, give them a title or give them the boot.

Peter Hain: I will certainly take account of that interesting intervention.

Incidentally, Helen Mary, if this is such a grubby Bill, why has Lord Richard welcomed it?

Helen Mary Jones: Will you give way?

Peter Hain: No. I am not taking any more interventions as I do not have time.

I welcome the points that Gwenda Thomas made on the Equality Bill. You made some interesting points, Gwenda, and we will certainly bear those in mind in terms of its application in Wales.

Elin Jones asked about the application of the Welsh language in terms of its modernisation and additional powers, and asked whether we should have a new Welsh language Act. I take the view of Rhodri Williams, a former chair of the Welsh Language Board, who said that he thought that it was more important to work with people on a voluntary basis than to have new legislation to extend the provisions of the Welsh Language Act 1993. Elin asked whether we could make small changes to the Act through the use of Orders. I think that might be possible, depending on what those changes were. We will certainly look at that.

In conclusion, I believe that this White Paper will deliver a brilliant deal for Wales and the Assembly. The Queen's Speech is delivering additional provision across Wales, from provision to tackle violent crime through to new affordable childcare provision. I think that we should be proud of this Queen's Speech and this White Paper.

The Business Minister (Jane Hutt): I thank the Secretary of State for Wales and everyone who has taken part in this historic debate. Understandably, it has focused on the White Paper and the opportunities that we have to extend legislative opportunities to enhance the Assembly's powers. It is quite clear that the Bill will confer even more extensive legislative powers on the Assembly. I think that we will coin your phrase 'further and faster', Leighton, in terms of how it takes us forward. We are taking forward the tools to do the job, as we have said. In terms of the publication of the report and the consultation on banning smoking in public spaces, it is quite clear, as Jeff, Jenny and others have said, that we now have an opportunity to determine policy in Wales that is based on the Assembly's decisions and those of the cross-party committee that has taken



this forward. The Minister will be reporting shortly on that and responding to the significant debate that we had on this subject.

Kirsty, we have seen a significant increase in Wales-only legislation at Westminster. Members have raised several issues relating to Bills that we must seek to influence. We have spent most of our time today on the White Paper, which is important as it will lead to the Bill. It is important, as the Secretary of State said, that due consideration be given to the animal welfare legislation and the Equality Bill, on which I will focus in the Committee on Equality of Opportunity meeting next week as Minister with responsibility for equality, and on which I will work with my UK Government colleagues.

On the Mental Health Bill, it was important—and this was raised by Rhodri Glyn and Jenny—that we had vigorous pre-legislative scrutiny. Influencing that will, once again, provide Wales with an opportunity to make an impact when the Bill is introduced.

We have already discussed the older people's commissioner in our robust debate last week. The First Minister has commented on that. The important point for the people of Wales is that we will have an older people's commissioner, which will be the world's first, as was the children's commissioner. Let us be positive about these opportunities.

People outside the Assembly are talking about the new opportunities that they will have when this White Paper leads to legislation. Although opposition Members sniped at our manifesto commitment throughout much of this debate, that same manifesto gave Labour an historic third term. We give people the clarity that they seek on who they voted for, who won the election and who will deliver for them in the National Assembly for Wales. This gives us the tools to do the job. People out there are already discussing how they can influence the Assembly to ensure that we move on and deliver the next stage of historic devolution for Wales.

6 Proceedings of the Welsh Grand Committee 23 June 2005: The Government's Legislative Programme

SC Deb 23 June 2005 c1-78

The Chairman: It may be helpful if I remind Members that the debate on the motion can continue until 5.30 pm.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): On a point of order, Mr. Caton.

Chris Bryant (Rhondda) (Lab): Can we remove our jackets?

Mr. Llwyd: That, too, but this point of order takes precedence; I shall deal with jackets in a moment. I received a note via the usual channels saying that I shall be speaking for Plaid Cymru together with the hon. Member for Aberavon (Dr. Francis). I regard the hon. Gentleman highly, and we in Plaid Cymru are not control freaks, but if he is going to speak for the party I would ask for a few minutes to discuss exactly what needs to be said.

The Chairman: Clearly an error has been made. Members may remove their jackets.

The Secretary of State for Wales (Mr. Peter Hain): I beg to move, That the Committee has considered the matter of the Government's legislative programme as outlined in the Queen's Speech as it relates to Wales. Before we begin our debate, Mr. Caton, I congratulate you on your appointment as Chairman of the Welsh Grand Committee. I also record my thanks and appreciation for the contribution made by your predecessor, Mr. Griffiths, the former Member for Bridgend. He was one of the most respected Members and, as I have remarked on other occasions, he was unique in this place in that he had no enemies. I am delighted, as Secretary of State for Wales, to address the Committee and to set out the legislative programme for the first Session of a first-ever third-term Labour Government.

I note that my right hon. Friend the Member for Torfaen (Mr. Murphy) is present today; he has been a tremendous support to me, and I know that everyone in Wales is proud of the role that he played in Northern Ireland. Although he did not gain a profile for it, he was the engineer of the Good Friday agreement and of the progress that has been made. If I can do the job of Secretary of State for Northern Ireland half as well as he did, I will be pleased.

The outlook for Wales is extremely positive. Employment is up by 110,000 since 1997. Private sector business activity in Wales is growing for the 26th month in a row. Unemployment has halved. Exports are up 14 per cent., which is higher growth than any in other part of the United Kingdom. Against that background, the Queen's Speech contains an unprecedented legislative programme for Wales. The trail-blazing Commissioner for Older People (Wales) Bill, the Welsh clauses on public smoking in the Health Improvement and Protection Bill, and new transport powers all demonstrate that the Government are working in partnership with the Assembly to enable it to take forward its policy agenda in Wales.

Only last week, we published the "Better Governance for Wales" White Paper as a prelude to introducing a Bill based on it in this Session. That ground-breaking White



Paper will move the devolution process forward, help deliver better public services and improve on the economic success that Wales has seen in recent years. It will help build a world-class Wales.

Although the general election was only seven weeks ago, two Wales-only Bills, the Commissioner for Older People (Wales) Bill and the Transport (Wales) Bill, have already had their Second readings—one in the Commons and one in the other place—and have received a broad welcome. Later in the Session, we will be publishing for pre-legislative scrutiny a draft Bill on tourism accommodation registration in Wales. With three Wales-only Bills and one draft Wales-only Bill, the Government's commitment and determination to give the Welsh Assembly the tools to deliver policies tailored to the needs of people in Wales has once again been clearly demonstrated.

The Queen's Speech promised a Bill to reform the devolution settlement for Wales. The White Paper sets out the Government's proposals for that Bill. We are not proposing change for its own sake, but to ensure that the Assembly continues to meet people's needs in Wales and that it remains accessible and accountable to them.

The White Paper deals with three concerns. First, the creation of the Assembly as a corporate body has led to confusion: confusion in the Assembly itself as its Members try to balance their role in developing policy with their role in scrutinising the decisions of Ministers in implementing that policy, and confusion in the minds of the people of Wales as to who is accountable for the decisions that affect their schools and hospitals. That is why we propose a formal separation between the Assembly and the Welsh Assembly Government.

Secondly, there is the legislative framework within which the Assembly operates. Since devolution, there has been far more Wales-only legislation in Westminster than ever before. It has been carried through by my right hon. Friend the Member for Torfaen and subsequently by me. Opposition Members might concentrate on the number of Wales-only Bills, but that does not give a true picture; much Wales-only legislation has been in Bills covering England and Wales. However, the timetable for that legislation has depended on the Whitehall and Westminster timetable, which has not always chimed with the way policy is being developed in Cardiff.

We therefore propose to enhance the Assembly's legislative powers through a staged process. First, we shall give the Assembly wider and more permissive powers in drafting current Bills, beginning this Session. Then, we shall provide new powers for it to enact measures. Finally, we shall provide the option of a post-legislative referendum to trigger primary legislative powers in the future.

Thirdly, we have what has become known as the Clwyd, West issue, with candidates soundly defeated in a constituency election still ending up as Assembly Members by election through the regional list. Widespread concern has been expressed about this issue in Wales, including by the Electoral Reform Society, which gave evidence to the Richard commission.

Mr. Llwyd: May I take the right hon. Gentleman back a sentence or two to his reference to a post-legislative referendum? When the Bill is published, will it include full details of a Welsh Parliament, or at least a fully legislative Chamber, as foreseen by the Government?

Mr. Hain: If I interpret the hon. Gentleman's question in my own way and use my own language, I can tell him that the Bill will contain primary powers. Those will be enacted when it receives Royal Assent, so no further legislation will be needed to implement them,

save for an Order in Council. That would trigger a referendum under the process that I outlined, which is why I described it as a post-legislative referendum.

I am grateful that the hon. Gentleman has sought clarification of that on the record. Those in the ranks of his party and those Liberal Democrats who want a full Welsh Parliament ought at least to acknowledge the progressive advance represented by having primary powers on the statute book as a result of the Bill, even though they will be waiting to be triggered some years in the future. We have not been given sufficient credit for that, if I may say so.

We will give candidates the choice of standing for either the constituency or the list elections, but they will no longer be allowed to stand in both.

Bill Wiggin (Leominster) (Con): I distinctly remember asking in an earlier debate whether candidates could stand on the list in one constituency and under the first-past-the-post system in another. Has the right hon. Gentleman given some thought to whether that possibility will arise?

Mr. Hain: No. We are clearly proposing that there is a choice to be made. A candidate stands either in the constituency section or in the list section; that applies across Wales. Either they decide that they will seek to represent a constituency and, if they are defeated, that will be the voters' verdict on them, or they decide to be a list candidate.

Bill Wiggin: Is the right hon. Gentleman aware that it is possible for someone to stand for two constituencies for this Parliament and, if they are successful in both, they must choose one or the other? Why does he not feel that that should be applicable in the Welsh Assembly?

Mr. Hain: Unless I have discovered nothing in my 14 years' membership of this House, we do not have a list system; I certainly have not detected one. That means that the comparison does not stand.

Lembit Öpik (Montgomeryshire) (LD): On the same point, I have heard the Secretary of State argue on the Floor of the House for separating list and constituency candidatures. Does he think that the same restriction should apply in Scotland, where, as he knows, at least one Labour Member of the Scottish Parliament took exactly the approach he is now criticising?

Mr. Hain: May I just say—[Interruption.] My hon. Friend the Member for Vale of Clwyd (Chris Ruane) in his inimitable way anticipates what I am about to say, as he always does: the devolution settlement is different in Scotland. Scotland has a fully fledged Parliament, a separate legal system, tax-raising powers and all the rest of it. It has a different list system with relatively more people on the list. There is a higher proportion of people on the list as compared with single-Member seats.

I notice that even the former Presiding Officer of the Scottish Parliament, Lord Steel—the former leader of his party—says that the list system has been brought into disrepute in Scotland. That is a matter for him; we are talking about Wales in this debate. No one had anticipated the degree to which the matter would excite interest among Opposition Members. It has excited a lot of interest, but it is a non-party issue.

I hope that if Labour Members had been in the sort of configuration in the Welsh Assembly that Opposition Members have been in and behaved in the same way, I hope that we would still be making exactly the same argument. Indeed, without revealing private conversations with Opposition Welsh MPs, I can tell the Committee that a few—not many—have said to me privately that they understand our point. Let us imagine that a

Member of Parliament, even the hon. Member for Montgomeryshire (Lembit Öpik) or the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), had list MPs in their constituency under a system like that in Germany, and those list Members were seeking to muscle in on their constituency surgeries, setting up rival offices.

David T.C. Davies (Monmouth) (Con) rose—

Mr. David Jones (Clwyd, West) (Con) rose—

Mr. Hain: I shall go on to take an intervention from the hon. Member for Monmouth (David T.C. Davies) because he has double competition. He already has competition from list Assembly Members; now he wants competition from Members of Parliament, does he? I think we might provide him with some competition in the coming years to get him out of Monmouth as an MP.

My point is that this is a non-party issue. In the future, our party may be in such a position. I do not think that it is sensible, and the fact that such a situation can occur does not uphold the integrity of the electoral system or the Assembly. Many others agree with me, including leading Liberals such as Lord Steel and Lord Livsey and leading Conservatives such as the former Secretary of State, Lord Crickhowell.

David T.C. Davies: I am grateful to the Secretary of State for giving way. Before I say anything else, let me say that I welcome competition. I can handle the competition, and I look forward to seeing what the Labour party can come up with over the next few years. It has not come up with very much during the past few years. The Secretary of State will have to acknowledge that even if he passes this legislation, the situation he referred to where list Members muscle in on constituency Members will still happen. It happens to me all the time with the leader of the Liberal Democrats in the Welsh Assembly. It will continue to happen whether he is elected on the list, which I suspect will happen, or he manages, for some bizarre reason, to win a first-past-the-post seat. Even if the legislation were changed and people were prevented from standing for the list and the constituency, if they are elected on the list, they will still be able to do what they have been doing to constituency Members, will they not?

Mr. Hain: Does the hon. Gentleman think it sensible for there to be two Assembly Members from Monmouth, or perhaps three or four, with constituency offices alongside each other in Monmouth high street? Does he think that that is a sensible way of running an Assembly and achieving voter representation? The voters concerned would have a supermarket choice of Assembly Members to go to, and they would not be able to get rid of three of those individuals, in Monmouth or elsewhere.

I find it interesting that the most excitable frenzy around the White Paper has been generated by this issue. Why is that? When this proposition is considered objectively and the evidence is gathered from the Electoral Reform Society and other distinguished organisations and figures, it is found that the case for Assembly Members—including those Members who have lost elections—being able to compete with each other does not stack up.

Mr. David Jones: That point needs to be pursued. The Secretary of State mentioned Clwyd, West, a constituency dear to my heart. Does he not agree that what happened in Clwyd, West at the last Assembly election was wholly foreseeable, even before the Government of Wales Act 1998 was enacted? It was a scenario that was bound to happen, to a greater or lesser extent. It could have happened in any constituency.



Furthermore, will the Secretary of State please address the point made by my hon. Friend the Member for Monmouth? How will changing the system prevent list Members setting up their offices next door, or next door but one, to the office of the constituency Member if they wish to do so? Nothing will change at all.

Mr. Hain: I do not accept that. Let us see how the legislation progresses. We are talking about a fundamental principle. I remind the hon. Gentleman, as I remind others on the Opposition Benches who are getting themselves into a lather on this issue, that we have a manifesto commitment to implement this policy. It is not something that has been dreamed up by the Secretary of State. We won a general election on a manifesto commitment to implement this policy, which was put forward in the White Paper.

Nia Griffith (Llanelli) (Lab): At the moment, we have a regional list system that is subject to the same sort of criticisms that can be levied against the first-past-the-post system in constituencies. Some people feel that their vote does not count, or does not count equally compared with votes in other areas of Wales. A logical conclusion would be to have one top-up list for the whole of Wales. That would be much more meaningful in making every vote count and in giving a truer reflection of the wishes of the people of Wales. It would also avoid the difficulty that seems to exist between the regional list system and the constituency system.

The only reason I can think of for Opposition parties being opposed to the idea of not having one person on the two lists is that they do not have enough candidates of the quality needed.

The Chairman: Order. Interventions are getting longer and longer. Can we ensure that they are shorter and that they take the form of a question?

Mr. Hain: Although I respect your dictum, Mr. Caton, I thought that that was a good question, eloquently put. The answer lies in the experience of Catherine Thomas, the Assembly Member for Llanelli, who works in close tandem with my hon. Friend. Catherine Thomas has had the experience of the defeated Plaid Cymru Assembly Member, Helen Mary Jones, seeking to describe herself as the Assembly Member for Llanelli, which she is not, and seeking, in effect, to abuse her position in order to try to defeat Catherine Thomas at the next election.

Mr. Llwyd: Will the Secretary of State give way?

Mr. Hain: I will finish my point. When I say abusing her position, I mean using taxpayers' money, with the same allowances and the same constituency facilities, when she does not even represent the Llanelli constituency; she is a regional list Member.

Mr. Llwyd: I am astonished at that point. Clearly, the region that Helen Mary Jones represents includes Llanelli. She lives in Llanelli, so why should she not have an office there? Earlier the Secretary of State asked how I would feel if I had a regional list Member crawling all over the constituency. I have a Conservative regional list Member, who often appears at various functions, but that is the nature of politics. I do not want to exclude any party. That is the worrying feature of this.

Mr. Hain: It is not the worrying feature at all. This issue is about a principle of how a sensible election system and a sensible Assembly should be organised. My hon. Friend the Member for Llanelli (Nia Griffith) made an interesting point about the national list. I have maintained the existing list system, because that is the one that has been running. If a serious argument is put to me about the national list, I shall consider it, but I have not investigated the matter in any great detail.

Chris Bryant: My right hon. Friend might bear it in mind that many of us are delighted: the more nationalists who appear in our constituencies, the better our vote seems to do. In particular, the former, Plaid Cymru, Assembly Member for Rhondda admitted to me last week that one reason the party did not go out too much in Rhondda during the general election was that it might have encouraged too many people to vote Labour. So, we are not worried about competition. My point is about the lie that is told by so many Assembly Members when they try, through a variety of weasel words, to pretend that they were elected as the constituency representative when they were not.

Mr. Hain: My hon. Friend speaks from experience and with great conviction and persuasiveness. His point would apply on a non-party basis.

David T.C. Davies: Will the right hon. Gentleman give way?

Mr. Hain: No, I shall continue to make progress. The point I am making, which is a non-party point, although it does not seem to be interpreted as such, is that we want an Assembly electoral system that has integrity and has the respect of the voters of Wales. That is the one that we shall deliver.

Right hon. and hon. Members have all seen the proposals in the White Paper, and I do not intend to describe them in detail again. However, I should like to address a couple of general points that have been made since it was published. People have asked why we have not simply accepted the recommendations of the Richard commission. Let us not forget that the commission reported to the Assembly Government, so its recommendations were not addressed to me. However, the commission's excellent report has been influential in the debate on the way forward for Welsh devolution. As Lord Richard said, his commission was looking for a route towards greater powers for the Assembly. Significantly, he has welcomed the White Paper, on the basis that it delivers that route. Clearly, it is not precisely what the commission advocated, so he gave me a B-plus, but I am delighted by that assessment from such an eminent figure. We were asked why we were putting barriers in the way of primary powers. That is certainly not how I see it. First, there is no point in going for a referendum if the answer is likely to be no. We need, therefore, to ensure that there is at least a consensus in the Assembly, and a two-thirds majority will demonstrate that beyond doubt. Secondly, the referendum will be decided by a simple majority of those voting; that is hardly a massive barrier. As for the Secretary of State refusing to put the question of a referendum to Parliament, technically that is possible because Parliament is sovereign.

Mr. Llwyd: Will the right hon. Gentleman give way?

Mr. Hain: Let me finish this point. A Secretary of State refusing publicly to put that question to Parliament, in the face of a two-thirds majority in the Assembly and of evidence of strong support in Wales, would find himself or herself in a very difficult position.

Mr. Llwyd: The right hon. Gentleman is very generous in giving way. He mentioned that the referendum question would be passed or otherwise on a simple majority. Why then would we need a two-thirds majority in the Assembly? Why not a simple majority?

Mr. Hain: The Assembly decides its Standing Orders by a two-thirds majority to demonstrate a cross-party consensus. We do not want a referendum triggered casually or out of an attempt at a political ambush. That would then trigger a process ending in a situation in which there was no cross-party support. The hon. Gentleman has asked a

serious question, and I am not replying in an adversarial way; I am just trying to explain the point. It is critical for the future of the Assembly, of Wales and of the Welsh Assembly Government that the situation is palpably moved forward by consensus.

At the risk of repeating what I told the Assembly when giving my Queen's Speech delivery on Tuesday, if we risk a situation where a request for primary powers is put to the people of Wales, and the proposal is voted down in a referendum, where does that leave the Assembly in future? One cannot keep going back to the electorate to ask them to change their minds. It is important is that we make an assessment and think, "We have cross-party support, so we are going to go for it." That will arise at some stage, I have no doubt. I do not expect it to arise early, however.

Several hon. Members rose—

Mr. Hain: I give way to the hon. Member for Carmarthen, East and Dinefwr (Adam Price).

Adam Price (Carmarthen, East and Dinefwr) (PC): The right hon. Gentleman will know from his experience as Leader of the House how difficult it is in this place to get even a simple majority on constitutional change. Let us think of reform of the other place. Why should the bar be set higher for a National Assembly than it is here?

Mr. Hain: It is not a question of setting it higher in some kind of manipulative way, or in an attempt to be obstructive. It is to demonstrate that, when we decide to have a referendum, we are where we would like to be, in the sense that we have cross-party support. The hon. Gentleman will understand—he took part in the 1997 referendum campaign, as did I. There was cross-party consensus: the Labour party, Plaid Cymru and the Liberal Democrats all supported the "yes" vote. It may be that within our own parties there were varying degrees of enthusiasm, either because, in the case of some Labour party members, they thought it was going too far, or, in the case of some Plaid Cymru members, they did not think it was going far enough. That is just a statement of fact. The fact that we could put the three parties together, however, showed that there was a basis on which to move forward with some confidence. Even then, the referendum was only narrowly won. So the two-thirds majority is not a ruse to try and deny the people their just desserts of primary powers, as a Plaid Cymru spokesman might seek to put it. We are saying that we should approach the question sensibly.

Bill Wiggin: One of the questions I would like the Secretary of State to answer, if he can—

Mr. Hain: The answer is no.

Bill Wiggin: I think that, on this occasion, the right hon. Gentleman will want to reply. If the Assembly triggers that referendum, who will pay for it? I understand the Secretary of State will be paying for the referendum, through the governance of Wales legislation. It is therefore an unusual arrangement. Can the Minister tell us whether the Assembly's budget will pay for the referendum, or whether it will be that of Westminster?

Mr. Hain: As the hon. Gentleman knows, my own budget comes out of the Assembly budget. It is part of the Welsh block, and a slice of it is allocated to the Wales Office. I am not sure that the distinction that he is seeking to draw is particularly crucial.

David T.C. Davies: If the Secretary of State is so anxious to show that there is a palpable consensus on further devolution in Wales, why should not a two-thirds majority be required in the referendum itself? Does he not agree that the very close result in the last referendum greatly devalued the Assembly's credibility?

Mr. Hain: No, I do not agree. General elections and all other elections have always been decided on a majority basis in Britain. We intend to stick to that. If the hon. Gentleman had invited a two-thirds majority vote in Clwyd, West, he would not have been elected.

Lembit Öpik: I have an interest in what the Secretary of State says. He seems to be saying that the small majority in favour of devolution in the referendum was sufficient to set up the Welsh Assembly as it stands, but would not be sufficient to set up the Welsh Assembly with the same powers as the Scottish Parliament. Why does he think we have to have a second referendum to give the Welsh people parity with those of Scotland?

Mr. Hain: I am sorry, but I do not accept the analogy at all. There will be a simple majority vote, as there always is in British elections and referendums.

Lembit Öpik: Why another one?

Mr. Hain: That is a separate point. It is because the settlement that the people of Wales voted on last time was completely different from the one that will be delivered under primary powers. That is why it is right to go for a referendum. I say to the hon. Gentleman, for whom I have considerable respect, even affection—[Hon. Members: "Steady on."]. Hon. Members should not take that the wrong way. I say to the hon. Gentleman that the Liberal Democrats are in an odd position, because they are frightened of putting the decision to the people of Wales. I do not know where Plaid Cymru stands on that, because it has not been as forward on the matter.

Lembit Öpik: I do not want to distract the Secretary of State from his train of argument for too long. However, to be clear, I point out that the Liberal Democrats have said that in our judgment the original referendum gives us a mandate to have roughly the same powers as Scotland, with the exception of tax-varying powers, for which we feel there should be a referendum. Our understanding is that the proposals in the Government's referendum would not include tax-varying powers. Our feeling is that we already have a mandate to equalise the powers; the Secretary of State feels that we need a referendum. There is no confusion, just a difference of opinion.

Mr. Hain: We will have to disagree affectionately on that. A Secretary of State who refused publicly to table the Order in Council to trigger a referendum in the face of a two-thirds majority in the Assembly and evidence of strong support in Wales would be left in a position that was difficult to defend. Wales did not take to Redwood-itis last time; it sacked every Tory MP in 1997. I suspect that even the Conservatives would have no appetite for an action replay of that scenario if they regained power.

The proposals set out a sensible progression to greater powers for the Assembly. The Welsh settlement—the settlement narrowly accepted by the people of Wales—retains a major role for Parliament in making legislation for Wales. Our proposals for enhanced powers retain that major role. That is why they are a development of the current settlement. Giving primary powers would significantly alter the balance between Parliament and the Assembly, although Parliament would still be sovereign, just as it is in Scotland. Such a change from the settlement voted for so narrowly in 1997 would need another referendum before it could be implemented.

I have spent some time discussing the Wales Office's most important Bill, but it is by no means the only Bill for Wales. Taken as a whole, the Queen's Speech offers the most substantial programme of legislation for Wales since devolution. Labour is delivering for Wales and delivering for devolution, as Labour—and only Labour—always has.



The Commissioner for Older People (Wales) Bill is a trail-blazing reform that will help improve the quality of life for older people in Wales and act as a spur to drive up the quality of the public services that they receive. The Transport (Wales) Bill has already been introduced and received its Second Reading last week. The fundamental aim is to enable the Assembly to encourage the development of an integrated transport network in Wales. Wales has a £2 billion-a-year tourist industry that is vital to its economy. The draft tourism accommodation registration Bill will help build on that economic success. Those four Wales-only Bills make up our busiest Welsh legislative programme ever.

Albert Owen (Ynys Môn) (Lab): My right hon. Friend mentioned the importance of tourism and the draft legislation proposed in the Queen's Speech. Many tourist operators in my part of the world—and, I am sure, across Wales—experience difficulties in securing grants to upgrade their accommodation to the level that Wales Tourist Board and the Assembly in its grant structure ask for. Will a simpler mechanism be put in place, and would we be able to legislate for it in the proposed Bill?

Mr. Hain: My hon. Friend raises an interesting point that we can perhaps pursue in pre-legislative scrutiny with Assembly Members. I know too that my hon. Friend the Under-Secretary of State for Wales will want to look at that.

We have introduced the busiest Welsh legislative programme ever. On top of that, there could be up to 18 Bills this year with specifically Welsh elements or of particular relevance to Wales. Taken together with Wales-only Bills, that means that half the Bills in this Session will either be for Wales or contain provisions of particular relevance to Wales. Since devolution in 1999 an increasing number of Bills in the Queen's Speech have contained Welsh provisions. In the previous Session, 10 of the England and Wales Bills in the legislative programme contained Welsh provisions, although because it was a short Session, only four received Royal Assent. However, I envisage that even when the "Better Governance for Wales" White Paper becomes an Act—which I anticipate will happen in late autumn next year—and the Assembly's legislative powers are enhanced, England and Wales Bills will continue to provide an important legislative vehicle for the Assembly to pursue its primary legislative requirements.

That means that the work of Welsh MPs will not diminish. Rather, as well as scrutinising Welsh clauses and provisions in England and Wales Bills, as we do now, and considering Wales-only Bills when that is required, as we do now, we will also have a special role to play in scrutinising the Orders in Council proposed in the White Paper. I foresee the work of Welsh MPs increasing rather than diminishing.

Bills with specifically Welsh provisions in this Session include the Health Improvement and Protection Bill, which will allow the Assembly to implement its own policy on banning smoking in public places. I pay tribute to my hon. Friend the Member for Cardiff, North (Julie Morgan) for her work on that. That Bill is the first example, since the publication of the White Paper, of legislation being framed to give the Assembly wider and more permissive powers to implement its provisions in Wales—the so-called section 13.2 provision from the Richard commission, which we propose to implement, and which was designed by Lord Rowlands.

The Government have hit the ground running with no fewer than 45 Bills in this Session, cracking down on guns, knives and alcohol-related crime, helping people off benefit and into work, giving more support to working families, and protecting children and vulnerable adults. This year we have an historic and important Queen's Speech for Wales. It is exciting to think that this is only the first Queen's Speech of this first-ever third term of a Labour Government. There are more to come.

Wales has been doing better than for generations, with record levels of employment, record investment in public services, rising education standards and falling levels of crime. The UK Government have forged a strong partnership with an Assembly committed to pioneering policies such as the Children's Commissioner for Wales, free bus travel for the over-60s and disabled, and Assembly learning grants—each being copied in England after Welsh success.

The measures in the Queen's Speech provide the means by which we can take that partnership forward in the coming year, for the benefit of everyone who lives and works in Wales.

Lembit Öpik: I welcome you to your exalted role, Mr. Caton, and I hope that we shall continue to enjoy your wise guidance for many years to come.

I also welcome the right hon. Member for Neath (Mr. Hain) back to his job as Secretary of State for Wales. As he knows, I also shadow him on the Northern Ireland portfolio, and it is a delight, to use his word, to know that we can build the mutual affection that we have generated over many years in the past into a deep and lasting relationship. We do not need a piece of paper from the city hall to make this work. I am also certain that with the interactions that we have had, respect and mutual dialogue, we can work on the collective, not always the tribal, interests of our parties.

I also welcome the new Members of the Committee. It is a delight to welcome the five new Labour Members of the Welsh Grand Committee. I would like to say that I am delighted to see the Conservatives restored to the Welsh Grand Committee, but it is difficult for me to do so. In fairness, they won decisively in their seats, and I am sure they will work hard for their constituencies.

David T.C. Davies: I am delighted to receive those words of welcome from the hon. Gentleman, but I remind him that we are all in Opposition. Perhaps he should welcome us even more than the Labour Members.

Lembit Öpik: As right hon. and hon. Members know, I am not that tribal. We shall judge Members on both sides on their ability to adhere to Liberal Democrat policy. I welcome back the hon. Member for Leominster (Bill Wiggin), and a surprising new addition to the ranks of Welsh MPs, the hon. Member for Bury St. Edmunds (Mr. Ruffley). He is not here today. I assume they have been meeting in Cardiff.

Now that the Conservatives have restored themselves to office with three Members of Parliament from Wales, it is somewhat curious that they are still entitled to have Members of Parliament from outside Wales sitting on the Welsh Grand Committee. I have no disrespect whatever for the hon. Member for Leominster, but I hope that once he and the hon. Member for Bury St. Edmunds feel that their three colleagues have come of age, they will gracefully bow out and allow the three Conservative Members of Parliament to hold the fort.

Bill Wiggin: Is my presence giving the hon. Gentleman undue cause for distress?

Lembit Öpik: Nothing pleases me more than to have the hon. Gentleman sitting right behind me as I speak. He has been in Welsh affairs for a long time, but I am sure that he recognises that now the democratic deficit has been restored with three Conservatives elected in Wales, there is no strong case for the Government or anyone else arranging for two English Members of Parliament from the Conservative party to swell the ranks of the

Conservatives in Welsh debates. I should be sad to see the hon. Gentleman leaving the ranks of Welsh politicians, and I hope that he will therefore stand in a Welsh constituency in the future. We wish him well with that.

Where does that leave us, and, more importantly, where does that leave the Welsh Liberal Democrats? I reserve my warmest congratulations for my hon. Friends the Members for Ceredigion (Mark Williams) and for Cardiff, Central (Jenny Willott), who won such impressive and resounding victories in their two constituencies.

Chris Bryant: On the first-past-the-post system.

Lembit Öpik: Indeed. We do not seek electoral reform for the benefit of the Liberal Democrats; we can double our seats under the old, discredited system. However, it would be fairer for all if there were a fairer electoral system.

The Liberal Democrats are the official parliamentary Opposition in Wales, and that reflects our positive approach and our progressive and practical policies. The election result means one clear thing: the people of Wales were impressed with what the Liberal Democrats offered. The election proved that they were not wholly satisfied with the offerings of the Labour Government. If the people of Wales took the same sunny view as the Secretary of State about the state of their nation, they would not have voted in May to get rid of five Labour MPs in Wales.

When we consider Wales today, we must be realistic. We all know what a wonderful place Wales is, but we know how great it could be, and that is why we are here today. We are also clear that there is plenty of scope for improvements. There are aspects of Wales that require fundamental change. That is not to do down or run down Wales; it is a matter of considering the opportunity, rather than simply settling for what we have already achieved.

I listened to the Secretary of State for Wales with interest. As hon. Members know, there are times when I admire what he does, so many of my comments are intended to help rather than criticise the Government. However, we must analyse the underlying statistics to understand that Wales still has a significant problem in comparison with the rest of the United Kingdom. The latest unemployment figures from March suggest that Wales is doing slightly worse than the rest of the UK, with Wales at 2.9 per cent. and the UK at 2.7 per cent. It could be argued that there is not much difference there, but when one looks within the figures, it becomes more worrying. Economic inactivity for people of working age in Wales runs at about 25.5 per cent. compared with the UK average of 22 per cent. The difference in those figures may again sound small, but when one thinks about how significant those few percentage points are to the overall gross domestic product of Wales, they become important. In addition, individual productivity has risen by 32 per cent. in England, but by only 28 per cent. in Wales, so the differential is increasing.

Chris Bryant: The hon. Gentleman talks about economic inactivity. He may know that many constituencies that have the highest level of economic inactivity are former mining and shipyard constituencies where constituents are on incapacity benefit. A large number of those are in the south Wales valleys, but interestingly if one looks at the figures for the south Wales valleys constituencies, the incapacity level is falling more sharply than in English areas. I wonder whether the hon. Gentleman should do more homework on where the real problems of economic activity lie.

Lembit Öpik: Not all of these statistical comparisons lay the blame at the Government's doorstep: some of the problems were inherited historically for the reasons the hon. Gentleman describes. However, we have to recognise that there is no place for



complacency in the Government. We must not pretend that everything is fine and rosy after eight years of Labour.

Considering the figures further, as the hon. Gentleman suggests, we find that the question of average earnings is a very important comparative analytical matter. The figures show that there has been a widening of differentials. In 1998, average earnings in Wales were £15,931 compared with a UK average of £17,275. In 2004, the Wales average was £18,528, but the UK average was £20,304. In other words, across those six years the differential between average earnings between Wales and the UK has increased from £1,344 to £1,776. That is the difficulty.

Ian Lucas (Wrexham) (Lab): Does the hon. Gentleman believe that that figure may be influenced by the huge decrease in levels of unemployment in Wales?

Lembit Öpik: That is not my analysis of the situation and I would be interested to hear if the hon. Gentleman intends to make a contribution later in the debate. I cannot really answer his question because it is possible that he has some great insight of which I am not aware. My interpretation is that we have not closed a differential gap that genuinely and practically disadvantages people in Wales. I shall be interested to hear the hon. Gentleman develop his point.

Ian Lucas: My point is that wages are obviously reflective of the position of people in work. The number of people in work in Wales has increased since 1997, so the figures he has read out are influenced by the fall in the level of unemployment.

Lembit Öpik: I see what the hon. Gentleman is getting at, but it is a slightly convoluted point. I am suggesting that average earnings consistently run beneath the UK average and I am sure that he would agree that that is not desirable. Like me, I am sure he does not want a low-wage economy in Wales, and I see he agrees with that point. Once again, I stress that the hon. Gentleman does not need to be too defensive about where we started because some of these problems were inherited for historical reasons—not least 18 years of virtually total neglect by the Conservative party. I am suggesting to him that we need to recognise that the problems have not yet been resolved. To respond further to what the hon. Gentleman says, if we examine the internal differences, we see that they vary widely throughout the Welsh nation. In Ceredigion, the differential is very significant, and the same goes for Powys and across Cardiff. While we see the differences, we must recognise that rural and particularly deprived areas in the valleys suffer more than other areas.

Why is that the case? The hon. Gentleman has made one suggestion. I suggest that one of the reasons is that there has been a 55 per cent. drop in the number of people employed in agriculture and an 18 per cent. drop in the number of people working in manufacturing. Much has been made of the average GDP figures because of the need to qualify for objective 1 funding. Will Wales be above the 75 per cent. threshold as a direct consequence of that? If one considers the matter more closely, a stark picture emerges. Some areas of Wales are way below this mark: Ceredigion is currently at 68 per cent. of the average. The point is that Wales should not be in a position where we are holding our breath to see if we qualify for structural funds from the European Union. With our skills base, work ethic and vibrant culture, we should be leading the pack.

The first significant point I raise with the Secretary of State is that the current impasse we observe has a practical effect on the future economic prosperity of Wales. I ask him or the Under-Secretary who will be summing to explain what the Government plan to do to

ensure that delays in resolving the European budget will not mean that wide areas of Wales lose the opportunity to get objective 1 or equivalent funding.

The Secretary of State has highlighted the fact that he feels that the Queen's Speech was heavily focused on Welsh legislation. Well, there is some good news in it. For example, I was delighted to see the Transport (Wales) Bill. I remember right back in 1997 or 1998, he and I led the call for an integrated air network across Wales. I am delighted to see that, under his stewardship, we are likely to put in place the opportunities to develop an infrastructure that finally connects north and south Wales in a way that is economically important to the small number of people who will have to avail themselves of that facility. By way of celebration, I invite him to fly with me any time he wants to or from Welshpool. Given my history of aviation, I think that I can say that absolutely nothing can go wrong in that flight.

Bill Wiggin: There could be a by-election in Montgomeryshire.

Chris Ruane (Vale of Clwyd) (Lab): There could be two by-elections.

Lembit Öpik: Indeed, but should an accident occur, it could be thought of as an extreme form of pairing.

Chris Ruane: But not a coalition.

Lembit Öpik: No, not a coalition. Hon. Members may be delighted to learn that I shall be flying Andrew Davies up to Welshpool to look at the developments at Welshpool airport on 29 June. I look forward to welcoming him on to the very same aircraft that has been flown by Bob Jones and others. After that good news, I have to say that there is much that disappoints the Liberal Democrats about the contents of the Queen's Speech. There was little about affordable housing, which is a serious problem across Wales, particularly in rural areas. The cost of an average house in Wales has sky-rocketed, but the increase in incomes has been relatively modest, so it is obvious that we have a crisis. Others have made these points before. This issue transcends party politics. We must find a solution because it is in everyone's interests to ensure that we do not create enforced overcrowding or homelessness due to the practical realities of the finance difficulties faced by first-time buyers.

Albert Owen: The hon. Gentleman is right to point out that there is no specific legislation in the Queen's Speech on that issue, but does he agree that the Budget already outlined some points? For example, it included help to raise the threshold on stamp duty, which his party supported, although the figures were slightly different.

Lembit Öpik: We did indeed support the more favourable terms for stamp duty that first-time buyers are enjoying. However, I am sure that the hon. Gentleman will agree that, on its own, that will not solve the problem. I see him nodding his assent. We have a significant shortfall in affordable housing. I do not intend to go through all the arguments. They have been made before. However, now is an important time for us to enter into a significant dialogue to see what we can do in areas stretching from Ceredigion to Cardiff and from Anglesey to Wrexham. We need to find out what we can do to ensure that individuals do not end up living in overcrowded accommodation with their families long after they feel that they want to branch out and set up an independent life for themselves. I am sure that we will come back to that in the future. In addition, there was no sign of an improvement to the methodology that underlies the Barnett formula. For many years now, we have seen the Barnett formula operating increasingly randomly. The inventor of the Barnett formula himself feels that that way of



allocating funds is long outdated. The Government have missed a trick by not starting a significant dialogue about that. We shall return to that issue and the Liberal Democrats will call for a more needs-based formula than the Barnett formula seems to be.

The same goes for council tax. We all know that 33 per cent. of houses have seen their banding rise and only 8 per cent. have seen it come down. That cannot be right. The people of Wales can see that, in effect, that is a tax increase through the back door.

David T.C. Davies: Perhaps the hon. Gentleman could tell us why the Liberal Democrats voted with the Government to change the formula which has increased council taxes by so much in Wales?

Lembit Öpik: How quickly the hon. Gentleman forgets that it was the Liberal Democrats and others, including the Conservatives, who clearly said that rebanding was a necessity.

David T.C. Davies: Will the hon. Gentleman give way again?

Lembit Öpik: I will in a moment. I must ask the hon. Gentleman to calm down. I know it is exciting to be at his first Welsh Grand Committee, but he must bide his time until I at least get to a verb.

The hon. Gentleman knows perfectly well that we did not agree with the methodology that the Labour Government implemented. As such, we ended up with a bit of a mess. I shall give way to the hon. Gentleman, and hope he will confirm that Conservative policy was to accept that rebanding was an essential part of the council tax arrangements.

David T.C. Davies: First, I am happy to confirm that when the Local Government Minister in the Assembly told us that there would be no net increase in revenue collected for the Government, we were happy to go along with it. The hon. Gentleman has obviously misunderstood the point of my question, however, because I was not talking about rebanding. I was talking of the change in the formula which took place in 2000, which drastically affected council tax levels for rural areas, including in his own constituency, because of the way the methodology was changed. Contrary to what he has just suggested, it was not clear to me that the Liberal Democrats opposed that, or had any concerns, because they were part of the coalition when that change went through.

Lembit Öpik: At least we have some clarification here. The Conservatives once again confirm what we already knew. Everyone who supports council tax knows that rebanding is an essential part of it. The point that I have been making is that the Liberal Democrats think that council tax is an unfair system in the first place. Actually, the Labour party and the Conservatives agree. If they do not agree, why is it that they offer reimbursements and special handouts to various sectors of the population if they think council tax in its currently constituted form delivers a fair settlement?

The Liberal Democrats came to the view that council tax is not fair because it necessarily does not take account of income, but merely of the house an inhabitant may have spent their entire life saving up for to own outright. That is why the Liberal Democrats are disappointed that the Government have shown no sign of enabling the introduction of local income tax, based on the ability to pay rather than the size of one's house.

Mr. Llwyd: Why did the Ceredigion Liberal Democrat councillors' group vote against local income tax? Before he denies it and I have to call him an unparliamentary word again, it is absolutely true that they did. Typical Liberal Democrats: what they are willing to do depends on where you are.



Lembit Öpik: I understand why the hon. Gentleman is a bit sore about Ceredigion. It is not for me to rub salt into that wound. I want to put the record straight on this once and for all, however. The hon. Gentleman is being a bit naughty in what he is telling the Welsh Grand Committee, and deserves to be scolded for it.

As he well knows, every Liberal Democrat councillor who spoke in that debate spoke in favour of local income tax. What we objected to, however, was the fact that Plaid Cymru was totally unwilling to build a consensus on the issues. He knows full well that the problem was that Plaid Cymru tried to gain party political advantage in that debate.

The Chairman: Order. There is a growing background noise in here, which is making it difficult for many hon. Members to hear what is going on. Quieten down, please.

Lembit Öpik: They cannot bear to hear the truth. That is why we hear these calls from Plaid Cymru. The hon. Gentleman knows very well that the Liberal Democrats rejected the motion because we are happy to find a consensus with Plaid Cymru or any other individual member of a political party, or of none, to find a better system. We were not, however, willing to go along with party political opportunism, at a time when the Liberal Democrats were trying to have a serious cross-party debate on the issue. When we look at the broader consequences of the Queen's Speech, it becomes obvious that Wales will also suffer the decisions made here in Westminster, and which we feel are wholly unacceptable.

I was interested to hear what the Secretary of State had to say about devolution. I accept that he looks favourably on devolution, and that he has made some significant and practical steps to empower the Welsh Assembly to make important decisions. For example, it is to his credit that the Assembly had the power to decide matters of student funding. As right hon. and hon. Members know, there has been a degree of cross-party agreement to diverge from Westminster Labour policy, and to give students far more generous settlements than those associated with student fees.

Mr. Hain: I am grateful to the hon. Gentleman for what he said. It is true that the decision reached in the Assembly has given certainty to Welsh students and stability to Welsh universities that was being denied by the Opposition to the Welsh Assembly Labour Government. As a result of the Opposition coalition that produced that outcome, Welsh-born and domiciled students will not be able to go to Oxford, to Cambridge and to other top universities with the same fee support that is available to Welsh students going to Welsh universities. It is as a result of the Liberal Democrats, Plaid Cymru and the Conservatives that we have such discrimination against Welsh students who wish to go to English universities and to others.

Lembit Öpik: The benefit of the Welsh Grand Committee is that it helps to shape Government thinking, and I understand that the right hon. Gentleman can see that there is a less favourable settlement for Welsh students in those parts of the country that do not fall under the jurisdiction of the Welsh Assembly. He can fix that problem by enabling the Welsh Assembly to provide funding for those students from Wales who wish to go to Oxford or to Cambridge. Unfortunately for him, that probably means that the Labour Government will have to repeal much of the student funding and tuition fee settlement for the rest of England. Surely, given that in Scotland and in Wales, the Labour Administrations have gone along with the Liberal Democrats to make the situation more preferable, he should reconsider that tax on learning.

Mr. Hain: That is against a background in which, as a result of what the Opposition, including the Liberal Democrats, insisted on, £40 million is having to be taken from other



parts of the Welsh Assembly budget. That is a matter for the Assembly, but it is interesting that the Opposition have put themselves in that position. They effectively want to provide extra subsidies to students who are better off, and to take away money for vital services and initiatives designed to help the poor and the most deprived in Wales.

Lembit Öpik: The Secretary of State is entitled to express his view, but as he rightly points out, budget decisions are a matter for the Assembly. He nods his head, and we must both respect the devolutionary settlement. He must recognise that he is suggesting that just because some Welsh students who want to go to Oxford, Cambridge, Bristol or elsewhere will not get the more favourable settlement that Welsh students living in Wales will get, everyone will get a worse deal. That is a slightly funny argument.

Chris Bryant: Does the hon. Gentleman not understand that the ideological obsession of the Liberal Democrats has given us the problem? If all the kids from Rhondda, whether they come from middle-class families or working-class families, have the choice of going only to the universities of Cardiff or of Glamorgan, we will have failed them. They need to have the opportunity to go on the course that is right for them.

Lembit Öpik: The previous point that I made ties directly in with that. We are ideological about keeping our election promises, and if the Labour Government had kept the election promise of not introducing top-up fees, we would not be in this mess. The hon. Gentleman can shake his head, but everyone in this country and every student who voted Liberal Democrat in Ceredigion and in Cardiff, Central knows that it was not the Liberal Democrats who went back on a manifesto commitment, it was the Labour party. By working with other parties on the Welsh Assembly, we have managed to right part of a wrong that was caused by the betrayal of the voters after the 2001 Labour promise not to introduce student top-up fees.

While we are on that subject, it may not be a violation of the Labour manifesto, but it is certainly a violation of civil liberties to introduce ID cards throughout Wales. The Welsh Assembly does not support their use for access to public services. When I have asked the question before, I have been assured that the Government are willing to introduce them regardless of that wish. However, they do not provide us with any credible justification for why identity cards will deliver the results they foresee. Specifically, how on earth can identity cards be regarded as an effective against terrorism when they did nothing to prevent the attack in New York or the attack in Madrid? How can identity cards be regarded as a significant tool to fight benefit fraud when any Member of Parliament knows that the chief element in benefit fraud is not pretending to be someone different but the falsification of personal circumstances? The Liberal Democrats in Wales will continue to oppose identity cards because we do not feel that the case has been made for them.

Mr. Hain: Is the hon. Gentleman of the view that anyone who happens to land up in Wales or Great Britain, legally or illegally, but particularly in the illegal case, should be entitled to occupy a council home, get any hospital service, take any educational service or draw any benefits? Is he of that opinion?

Lembit Öpik: This is an even more sinister inference than any I have heard so far. I am sure that the Secretary of State does not mean that we should simply leave people who come legitimately into this country out on the street.

Mr. Hain: I am not saying that.

Lembit Öpik: The right hon. Gentleman says not, so therefore we agree, but that is not the debate about identity cards. The question is do we need a system in this country that



will make it a legal requirement over time that people have to prove who they are. If so, what are the justifications for that? I am suggesting to the Secretary of State that the Government have not thought out the justification for identity cards. Furthermore, it is an example of individuals looking for a use for a technology that has been created, and that use and its justification have not come forward.

David T.C. Davies: I am grateful to the hon. Gentleman for giving way. I wonder whether he would reconsider his view and agree with me that the Secretary of State is absolutely right for once when he says that it is completely wrong that asylum seekers and the like should be able to pitch up in this country and help themselves to services paid for by British taxpayers. Perhaps he would also agree that the Secretary of State for Wales should now join the Conservative party and get behind the campaign team for one of the leaders here with his new-found right-wing views. With that particular view, he would be very welcome in the Conservative party.

Lembit Öpik: Politics makes strange bedfellows, but I believe that the hon. Gentleman has made a contribution in which hope exceeds reality. However much I may wish to criticise the Secretary of State's view in defence of identity cards, although I have been grateful for the Conservative opposition to them, I still feel that many of the authoritarian measures introduced by the Conservatives in the late 1980s and early 1990s were just as sinister as identity cards. I would agree with the hon. Gentleman on one thing: there has been a convergence on authoritarian measures between the Conservatives and the Labour party, and that grieves me.

Mr. Hain: May I just concentrate on the issues instead of the high-blown rhetoric of the hon. Members for Monmouth and for Montgomeryshire? Let us get to the substance of the issue. Is the hon. Gentleman saying that it is wrong to insist on a biometric passport or to have a biometric-based driving licence, and therefore is it wrong to make that extra step to have an identity card? It would give everyone the ability to be confident that British citizens and those entitled to stay here—not asylum seekers who are not entitled to stay here, but including those who are—have some proof of identity as to their right to have services. That would maintain confidence in the system, and surely that is an advantage.

Lembit Öpik: The debate does get heated, and before I move on I shall answer the Secretary of State directly. I am not talking about the technology of biometrics in relation to existing documentation. I am saying that the principle behind an identity card, which inevitably has to become compulsory if it is to have any meaning at all, is wrong. An identity card will not reduce the risk of terrorism in this country and it will not significantly reduce benefit fraud in this country. I think that I have made the case clearly enough as far as the Liberal Democrats are concerned. I ask the Secretary of State, and counsel the Government as a whole, to think about the arguments that they have advanced because many of us have not found them persuasive. We shall return to these points in the future. I hope that two of my colleagues will catch your eye, Mr. Caton, so that they can focus on other matters, but I want to finish on the Secretary of State's commitment to devolution, which I have mentioned before. He has not been as courageous as he might have been in adhering to the recommendations of the Richard commission. He said something interesting in his contribution. He said that general elections have always been decided on a majority. This one was not: the Government got 36 per cent. of the votes. I am worried that we are discussing the case for and against electoral reform, and the mandate that the Labour party claims to have to run the country, against the background of two thirds of the country voting against the Government. I suggest that that requires some humility and a more inclusive approach. If the Government's arrogance of power is allowed to persist in a way that many of us found distasteful in their previous term, they will almost certainly be punished.

On the Richard commission and the consultation period that has now begun on "Better Governance for Wales", we hope that it really is a consultation document and that we can make constructive contributions that are listened to. It will be a great disappointment if, after the great flourish surrounding the launch of the document, it simply becomes a statement of fact, rather than a starting point. To that extent, as I have said before, the Liberal Democrats hope that we can get a more satisfactory solution. I would define that as one that is more akin to the Scottish arrangements.

We covered the question of a referendum before and there is no point in putting it on the record twice. However, we are very much of the view that, having a more federated United Kingdom, in which Wales and Scotland have more comparable powers, would mean that the Welsh Assembly could perform more effectively. One of the criticisms that relates to the limited powers is a direct result of the fact that the Assembly has not got the tools to do the job.

I regret that the shadow Secretary of State for Wales, the hon. Member for Leominster, opposes the existence of the Assembly. That is a shame. I hope that his colleagues will persuade him otherwise, but I am not holding my breath.

Bill Wiggin: The hon. Gentleman must be careful what he says about my views. I expressed quite clearly that should I have a vote, I would indeed vote for abolition. That vote obviously will not take place and indeed I would not have a vote anyway because of the nature of where I live. The Secretary of State keeps repeating that that is party policy, which is not the case, so I am grateful to the hon. Gentleman for the opportunity to set the record straight. The Conservative party's position, as I am sure that he knows, is that we would have a referendum.

Lembit Öpik: The Secretary of State is in the Cabinet and, after 2009, I will be too, together with my hon. Friends the Members for Ceredigion and for Cardiff, Central. If I were to hear my Secretary of State for Wales—a member of the Cabinet—say, "I'm in favour of abolishing the Assembly, but, hey, don't mind me," I would think that that was a bit of an abdication of responsibility. I imagine that if the existing Secretary of State for Wales went up to the Prime Minister and said, "I think we should close down the Welsh Assembly," the Prime Minister would not take that as a personal view. To that extent, the Conservative position is slightly limited by the fact that everything that the shadow Secretary of State for Wales says about Wales must necessarily be said through the filter of assuming that the Assembly should not exist in the first place.

As for Plaid Cymru, for the sake of clarity let me say that I respect its position in arguing for independence. I am not against independence in principle. As hon. Members from Plaid Cymru have said before, I support it for Estonia, but I do not support it for Wales because I do not think that it is the right solution. Let it be said again that those people in Wales who think that independence is the right solution need to vote for Plaid Cymru, but those who do not will hopefully recognise that the Liberal Democrats have been the one consistent party on devolution.

David T.C. Davies: Will the hon. Gentleman give way?

Lembit Öpik: I am finishing. The Liberal Democrats do not seek victory for the sake of victory. We seek solutions. We do not want to gun for Labour or any other party; we want to deliver for Wales. It is a big responsibility to take the lead in the duty of holding the Government to account, but we undertake that duty with pride and enthusiasm. In essence, the Liberal Democrats will do all that we can to hold the Government to account



and to ensure that, when appropriate, we work in a cross-party way and that when we feel the Government have to be held to account and criticised, we do so in a way that is positive and describes our alternative. We doubled our seats at the general election, and we are very grateful to the Welsh people for giving us this opportunity to show what we can do in government. I hope that I speak for every right hon. and hon. Member here, however, when I say that the best thing about the Welsh political scene is that, fundamentally, despite the different parties, we are all here in the interests of Wales. I hope that, in the four years ahead, we will work together to make the nation proud of what we do in its name, in this place and throughout Wales.

Mr. Paul Murphy (Torfaen) (Lab): I am very grateful to you for calling me, Mr. Caton, and I wish you well in your period of office as Chairman of this distinguished Committee. I thank the Secretary of State, too, for his kind words at the beginning of his speech, and wish him well in the tasks and challenges ahead, particularly in the job that I have just vacated in Northern Ireland. I know that he will rise to those challenges.

It is three years since I have spoken in this Committee, and 17 years since I spoke from the Back Benches in this Committee. Despite the fact that there are occasionally periods when its members disagree with each other, in a very fundamental way I agree with the hon. Member for Montgomeryshire who, in his round-up of a long speech, rightly referred to the fact that nearly all of us represent Welsh constituencies, and it is our duty to represent our people in a very special way here in Westminster.

The Queen's Speech referred to economic policies of the Government which will "entrench stability" and provide a basis for "long-term growth and prosperity". I have pondered on the length of time since I first spoke in this Committee, some 17 or 18 years ago. I think that if every single Member in this Room learned to look at their constituencies they would see the great changes that have taken place in each and every one of them. Let us take unemployment, for example. In my constituency, 2 per cent. of people are now unemployed; in other words, 98 per cent. are in employment, which means that to a large extent we have full employment.

The industrial valleys of south Wales have undergone a remarkable transformation since I was first elected to the House of Commons. When I first entered politics, literally everybody in the eastern valley of Monmouthshire worked either in the pits or the steel works. Now hardly anybody works in the pits, and very few in the steel industry. Yet, in my constituency, people work in a great diversity of ways, in the service industry, in high-tech industries and so on. When I had my lunch today in the House of Commons, I noticed that the ice cream I was eating was made only 200 yd from where I live in Cwmbran. The enormous diversity that we have in our constituencies in Wales is to our credit, and to the Government's credit, too.

The other thing that has changed dramatically over the last few years, of course, is devolution. Members in this Committee will know that I had been no great enthusiast for devolution over the years. They will also know that, nevertheless, in the years since devolution, the working relationship between the Members of the Assembly and the Welsh Assembly Government on the one hand, and the Government and Parliament on the other, has been for the greater good of the women, men and children of our country.

Let us consider how the relationship between those bodies, Assembly and Parliament, have affected pensioners, for example. Here we have legislated for, and the Government have made decisions on, winter fuel payments, help for council tax, pensions and television licences. In Cardiff, the Assembly has given older people free travel; we are leading the way for the whole of the UK in that respect.



The combination of those policies from the Assembly and the Government has made life that much better for the people whom we represent. In the three years in which I was Secretary of State for Wales, I saw great change: the Assembly became part of Welsh life. I did not think that it would do that so quickly, but it has. I am sure that each of us will have the same stories to tell about constituencies. People now know who to approach about their individual problems; they know the significance of what the Assembly, the Government and Parliament do. As time goes by, there will inevitably be changes in the relationship that I have touched on.

My right hon. Friend the Secretary of State spoke about the question of top-up fees, as did the hon. Member for Montgomeryshire. I do not want to go into that issue, as it is not the basis of the debate. The subject of the debate is how the Assembly and the Government can work together. In the case of top-up fees, they took different views, but the Assembly is entirely right, and it is within its purview to do what it has done. However, it does not mean that people will not come to our surgeries, if, for example, they have a young daughter or son who wants to go not necessarily to Oxford, as I did 40 years ago, but to any of the other universities in England or Scotland. What will they say when we tell them that their child can go to a Welsh university and need pay only £1,200 in tuition fees? Nearly 40 per cent.—four out of 10—of our Welsh young men and women go across the border, because they go not only to Oxford or Cambridge but to other English universities.

I am worried about that issue, and I hope that it will be addressed by the Welsh Assembly Government in the coming months. Like my right hon. Friend, I am concerned also about where the money will come from to finance those new schemes, because there is no doubt in my mind that the essence of education in every constituency is pre-university stages. If we fail to spend money on our nurseries, primary schools and secondary schools, and if we do not get sufficient funding to ensure that people from less advantaged backgrounds can go to university as I did all those years ago, the funding of universities themselves almost becomes irrelevant.

I welcome the White Paper. It is an indication of the evolution in devolution. I would not call it a process, as someone else did all those years ago, but in its procedures and in how the Government and the Assembly work together, it is evolving. Over recent years, the Secretary of State and I have seen devolved to the Assembly the functions that it was most sensible to devolve, such as fire services, animal hygiene and welfare and so on.

Law making is a different matter. I disagree entirely with the point made by the hon. Member for Montgomeryshire that, back in the referendum, people voted for anything that might act. They voted for what was in front of them. In my constituency, which did not vote for devolution by only a narrow margin, people would in my view have voted "yes" by a very large margin had a Scottish-type Assembly or Parliament been on offer. The only way we can test that view in years to come is by asking people, and that is why a referendum is exactly the right thing to do.

I want to pay tribute to the First Minister, because we would not have had such a smooth evolution of devolution over the past few years had it not been for the wise leadership of Rhodri Morgan and the way he has worked with successive Secretaries of State, Members of Parliament and Assembly Members.

I agree, too, with the White Paper, certainly on the separation of the executive and legislative functions of the Assembly. It has not worked very well and it needs to be put right. I entirely agree with changing the law on standing for elections. It is no secret that I am no great lover of proportional representation; I do not like it at all. As I am no longer a



member of the Government, I can say that I do not like the top-up system; it was the worst of all those on offer. It is a reality, though, and we must try to ensure that we improve it.

My preference would have been for 80 Assembly Members elected in the constituencies of Wales on an alternative vote. There are views about whether that is proportional, but it is right to relate membership of both this House and the Assembly to a constituency—that is the fundamental basis of parliamentary democracy. The problem with top-up Members is that there is no obvious constituency to which they can relate. I accept the point that was made about proportionality. It is a difficult question, but the link between a person and the constituents who elect him or her is very precious, and it would have been wiser in the first instance to have had 80 Members.

David T.C. Davies: I find myself in absolute agreement with many of the right hon. Gentleman's points, but, recognising as he does the shortcomings of a list system and the breaking of the link between constituency and Member, does he agree that the most principled thing for the Government to do is scrap the PR element altogether and go back to a first-past-the-post system?

Mr. Murphy: That would have been my preference, but I do not think it would have been right to do it. As I said earlier, people in the referendum voted for the package that was on offer, which included an element of top-up proportionality. Parliament can do anything, but it should rightly consider whether the system has worked properly. I do not think that it has, which is why change is necessary. However, to go completely against the proportionality that was set out in the referendum in 1997 would be very difficult.

Ann Clwyd (Cynon Valley) (Lab): Would my right hon. Friend extend the suggestion that he made for Westminster and the Welsh Assembly to Members of the European Parliament? As a former MEP, I feel that the present system makes Welsh MEPs absolutely removed from the areas that they represent. Does he agree that it may be a good thing to look at that situation again, too?

Mr. Murphy: I could not have agreed two or three months ago, but I can now. The answer is yes.

In my constituency, Mike German received fewer than 3,000 votes for the Assembly in a constituency of about 62,000 electors. I am not denying him those votes, but I do not think that that was a great basis on which he could then stand as the leader of the Liberal Democrats in another sort of election. The change is a sensible one.

The complicated but necessary change in how the Assembly makes laws is very important and I agree with it. There is an absolute need for more scope, more flexibility and more enhancement of powers for the Assembly. That has already started, of course, in the sense that, in the past few years, my right hon. Friend and I have, as Secretaries of State, introduced Bills in the House of Commons giving enabling powers to the Assembly in Cardiff so that it can pass legislation in a wide context. That process has started, and there is nothing particularly new about what is happening except that it will require legislation in the new dispensation, which I entirely agree with.

There is room for improvement, even on that matter. I hope that when the Bill goes through Parliament, there will be an opportunity to make some changes to what is in the White Paper. I will mention just two points. A debate of one and a half hours for an Order in Council is far too short; it should last at least three hours, if not longer, and I hope that we can consider that. Secondly, and it is experience from Northern Ireland rather than



Wales that tells me this, before any changes that are envisaged come to Parliament, there should be a long period of consultation and proper pre-legislative scrutiny.

Mr. Hain: I very much welcome the point my right hon. Friend has just made. I can assure him that, although it is a matter for the House rather than the Government, we are looking at how we could make that sort of pre-legislative scrutiny available so that Members would have a chance to consider what they were to pass subsequently as an Order in Council.

Mr. Murphy: I am grateful to my right hon. Friend for that. Incidentally, I know that he has put an enormous amount of work into the White Paper during the past year, because he and I worked together on Cabinet committees on the matter. It has been done with a great deal of thought; it has not simply happened. There has been consultation and discussion and there will be tremendous opportunity for Committee members and the House of Commons to discuss the matters when they come before us.

I also say to my right hon. Friend, in his new job as Secretary of State for Northern Ireland, he will know that because the Assembly is not up and running there, there is a need for a proper period of consultation on major changes, which could be replicated for Wales, too.

Ultimately, all the talk about constitutional issues and powers is very important; of course it is. However, it does not necessarily exercise the minds of most of our constituents. I do not think that there was an occasion during the general election—certainly not in my own constituency, but I went to 31 constituencies, and a fair number of them were in Wales—where the issue of constitutional change in Wales was raised with me on the doorsteps. I am not saying that it is unimportant, because it is important, but what exercises people's minds in Wales is what the Assembly can do with extra powers: the services and the quality of those services that it provides to our people, whether it is in the health service, or education, or whatever. In the last few years since devolution that the stature of the Assembly has grown.

I shall finish with two points. First, we must all welcome the accountability of the Assembly. Whatever people's views of what has happened in Cardiff—I have quite firm views on that—it is nevertheless an indication that our democracy works in the new devolved system. Secondly, the accessibility of Government under devolution has definitely improved in Wales. That accessibility is missing, for example, in Northern Ireland, but we have it in Scotland and Wales, which is important. For example, Dr. Brian Gibbons, the Minister for Health and Social Services in Wales, came to my constituency a week or so ago and talked to Labour party members, of which a very large number turned up. They talked to him about problems in the health service in Wales, particularly in Torfaen. That is a small example of how Ministers are accessible to the people of Wales, and is to be very much welcomed in a new devolved set-up.

I conclude by thanking you, Mr. Caton, for calling me today. I have not spoken here for many years, but none of us can become detached from the people whom we represent, whether we are Assembly Members or Members of the House of Commons. Ultimately, what matters to the men and women in our constituencies, and Wales generally, is the quality of life and the services that we provide by working with our colleagues in Cardiff in the Assembly.

Mr. Llwyd: I congratulate you, Mr. Caton, on taking the Chair of this august body. I am sure that we shall all be much the better for your wise counsels. It is remarkable for someone of such an independent bent to be in the Chair. I congratulate you fully.



As always, it is a great pleasure to listen to the right hon. Member for Torfaen. Listening to him speak from the Back Benches takes me back to the Major Administration when he and I were on the same side. It was a very good speech; I disagreed with parts of it, but it was extremely well delivered. When he writes his own speeches, they are much better than when they are prepared for him.

It is a shame that the Secretary of State has left the Room. The Wales Office emblem always bears the motto "Y ddraig goch ddyrn gychwyn", but unfortunately on this splendid document "Better Governance for Wales" it reads "Y ddraig goch ddyrn chwyn". That means "The red dragon gives weeds". I know that the Government have tinkered a bit with cannabis, but I do not know whether that is a subliminal sign. There are, I regret, other mistakes, but all in all it is clearly an interesting document that has engendered quite a discussion in this debate, and will do so more at other times.

During yesterday's Welsh questions, two Labour Members asked identical questions; there is nothing new in that, but it was interesting that they both referred to the White Paper. Were they about advancing a proper machinery for the governance of Wales, or about streamlining the legislative arrangements, or about the minutiae of bringing Welsh Bills to Westminster? No, they were not. They were about looking at the electoral arrangements. What was suggested yesterday would clearly be a death knell for the National Assembly for Wales. It shows that Labour is, unfortunately, very tribal in its approach—or at least some Back-Bench Members are. The most important thing to them was not the Richard recommendations—they did not even touch on them; they were happy to park them on the sideline—but to look, first and foremost, for the pure electoral advantage in the situation. That is unfortunate.

For all its failings, and with all the credit we can give it, the National Assembly for Wales is there to serve the whole of Wales, and by that I mean all political opinions in Wales and, necessarily, people who are not members of any political party. If the worthy suggestions made yesterday were seriously taken up it would undoubtedly create a hegemony, under which it would not be possible for at least two, if not three, of the Welsh parties to get anywhere near government in the foreseeable future. The matter is as serious as that. I hope that what was said was merely a slip and just part of the discussion. As the right hon. Member for Torfaen said, if the arrangements mentioned yesterday were to be brought in, a referendum would be required. I respect his opinion on this, so perhaps I am getting worked up over nothing.

Ian Lucas: Yes.

Mr. Llwyd: Maybe so; but—

Ian Lucas: Will the hon. Gentleman give way?

Mr. Llwyd: If the hon. Gentleman can contain himself for a moment, I will.

The point is that while we were considering the issue over here, simultaneously the exact same question was put to the Assembly. That I find quite interesting. If there is to be some kind of movement on the matter, it will be the most terribly opportunistic thing. It would be tinkering with a fairly young democratic institution, and ruinous for the National Assembly for Wales.

Albert Owen: I do not think that the hon. Gentleman can be accusing me of taking planted questions in any shape or form; I have not done so, and I would not. Does he not agree that, important as the Richard commission was, there has also been an important event: a general election? The parties, including the hon. Gentleman's, outlined their

case. In the manifesto that we put before the people of Wales, we said that we would bring in the White Paper. Following what we put in our manifesto gives us greater legitimacy than following the Richard commission.

Mr. Llwyd: The manifesto said that there would be an improvement to the governance of Wales, or enhancement of powers—if I remember rightly, those were the words. So, that is left open, and that is fine. The Richard commission is about enhancing the powers of the National Assembly, so in a sense we are both right.

Ian Lucas: I am looking at the White Paper, and I wonder whether the hon. Gentleman can explain how the proposal to prevent a list member from standing in a constituency would give an electoral advantage to the Labour party.

Mr. Llwyd: I am not a psephologist, but most people who have commented on the subject have said that it certainly would. However, we may be wrong. In any event, these are discussions for the coming months, and I am pleased that we are talking about the matter now.

David T.C. Davies: If the hon. Gentleman is happy for me to help, I can answer that question.

Mr. Llwyd: I do not need any help.

David T.C. Davies: No, I appreciate that. The reason why such a change will disbenefit most Opposition parties is that many of them win a large proportion—up to half or, in the case of the Conservative party, 90 per cent. or whatever—of their seats on the list. If list members are enabled to fight first-past-the-post seats, too, obviously it will make it that much harder for them to fight in the seats that they are most likely to win if they receive some sort of swing. So the change would actually be greatly disadvantageous. If the hon. Gentleman asked the Secretary of State for Wales that question, he would have answered in a similar way.

Mr. Llwyd: I am sure that that is part of the answer.

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): The hon. Gentleman has not explained what the questions were. My understanding is that they propose a single vote rather than two votes. It would help if the hon. Gentleman explained, so that members of the Committee and those who read the report of our proceedings understand what we are talking about.

Mr. Llwyd: I presumed that members of the Committee were at Welsh questions. If not, where were they? However, for those who were not listening or did not understand, I shall explain. The question was put by the hon. Member for Bridgend (Mrs. Moon). She asked whether the Secretary of State agreed that there should be a single vote—in other words, whether it would be first past the post, with the votes then being counted and additional seats awarded on that basis, but no second vote, and presumably no regional lists.

Julie Morgan (Cardiff, North) (Lab): I thank the hon. Gentleman for finally giving way. My question is about the list system and the first-past-the-post seats. Would he not agree that it is important that the public perceive the system as being fair, transparent and open, and that they should understand how it operates? That clearly will not happen if Members can stand for the first-past-the-post seats, lose and then get in on the list system. There is widespread public concern about that.



Mr. Llwyd: The hon. Lady says that there is widespread concern among the public. I did not hear any during the election period. In fact, more concern has been expressed about the registered postal voting system that has been introduced by the Government. We have seen Labour councillors before the courts, one after another; there is huge concern about that, and one hopes that it will be sorted out. I heard a lot about that during the election, but nothing about the point that she raises.

The suggestion now being pursued in the White Paper could have been introduced without the Richard commission putting in 18 months of hard work, at a cost of £1 million. As the hon. Member for Montgomeryshire said, it is disappointing that we are going along that road.

The legislative arrangements foreseen in the White Paper are problematical, especially the Order in Council system. The National Assembly first has to bid for legislation. "Bid" is an unfortunate word in this context, as it implies an element of hope. The Assembly puts in a bid to the Secretary of State for Wales for a piece of Welsh legislation; that effectively puts the Secretary of State above the First Minister by giving him the first decision. I have a problem with that. If there is devolution, there is devolution; if there is a First Minister, there is a First Minister. It is unlikely that the National Assembly will ask for something immoral or illegal, so I cannot understand why its requests should be vetoed at the beginning.

The request then has to go to the House of Commons and on to the other place. The White Paper specifically says that the House of Lords has a veto on such legislation. I have a problem with the other place vetoing legislation from a properly constructed and democratic body, especially as that body represents the whole of Wales in its wish for Welsh legislation. I have a great problem with that. I understand that, for various reasons, the House of Lords has always been hostile to Orders in Council, not least because it believes that they are not open to adequate parliamentary scrutiny—a matter touched upon earlier by the right hon. Member for Torfaen.

It seems that even when the Administrations in Cardiff and Westminster are of the same colour and party, there will be problems. I asked the Secretary of State about this last week, when he made his statement. He said that it was not much of a problem and that in any event the Parliament Act could easily be invoked. The Parliament Act is there for a purpose. It is to be used to unlock parliamentary logjams. We all understand that.

It seems that the Government might well be considering putting in a flawed system and that they already envisage the remedy being used. That is important. However, let us consider what will happen when the Administrations in Cardiff and Westminster are not of the same political hue. As a member of the Richard commission said,

"It is a system that will only work if there is an enormous amount of pulling in the same direction between Cardiff and Westminster."

What is being envisaged is a missed opportunity to settle the issue. To many people in Wales, the White Paper is a disappointment. I acknowledge that it is a step forward. I am not pretending that it is a step back, but it is not a bold enough step. Recent opinion polls have shown an increase in support for a full legislative Chamber. A recent BBC opinion poll showed that 64 per cent. were in favour of primary legislative powers. I refer to paragraph 1.26 at page 9 of the Government's response. It is rather disappointing. On the subject of primary powers, they said:



"As a fundamental change to the Welsh settlement, this would require the support of the Welsh electorate through a post-legislative referendum. The Government envisages no particular timetable for this as it would be dependent on a consensus which does not exist at present. However, in order to avoid the necessity of a third Government of Wales Bill should such a consensus emerge, the Government proposes to provide for this option in the forthcoming legislation, so that a referendum seeking the electorate's approval for the transfer of primary law-making powers in devolved areas could be called at some time in the future."

I am not happy with that particular aspect. Some people would expect me to have said that, but how do we determine the consensus? I asked the Secretary of State that last week and, with respect to the right hon. Gentleman for whom I have a great regard, I must say that he did not give me a straight answer. He said that, in some way, there would be a cross-party discussion. I do not know how matters will be determined, but I hope that the consensus will not have to be simply a consensus within the Labour party. That would be wrong.

If there is to be cross-party working on the matter, so be it. I should welcome that. However, the answer is unclear and leaves many of us wanting to know the Government's intention. Even when we arrive at Tír na NÓg, when consensus is announced, the National Assembly for Wales would still have a lock on things. They would have to pass the matter by a two thirds majority, a point that has been referred to by the Secretary of State. I do not want to debate that issue again, suffice it to say that I cannot understand why a simple majority would not be accepted. If a majority is good enough to pass subordinate legislation in the Assembly, surely a majority of those in a properly elected democratic Chamber should be good enough. I shall not labour the point. There have been exchanges about the matter today and, undoubtedly, we shall return to it. Professor McAllister, one of the commissioners, said:

"There is no sense in which there is a clear time table for moving towards a more clear-cut settlement."

People in the Labour party and other parties, and more broadly in Wales, have been left with the feeling that such matters are a missed opportunity for Wales to bring a true, strong democratic system to Wales. Surely it is high time for this Parliament, the mother of Parliaments, to allow its offspring to thrive and not to remain tied to its apron strings. I regret to say that the other missed opportunity in the White Paper is that it contains no discussion about the Barnett formula, a matter that was touched on by the hon. Member for Montgomeryshire. It is high time that something is done about the funding formula for Wales. We want a broad-based commission set up to look properly into the matter. A recent report from the Rowntree Foundation produced some disturbing figures: for example, the average weekly household income in Wales is £376, compared with £480 in the United Kingdom; economic inactivity in Wales is 27.9 as opposed to 21.5 in the UK; 20 per cent. of households in Wales are in receipt of income support, compared with 16 per cent. in the United Kingdom; 31 per cent. of children in Wales live in households with an income below 60 per cent. of the median, as opposed to 30 per cent. in Great Britain. Those are issues to be dealt with.

The Government's stock answer is to say that Wales is being subsidised in some way, but that simply is not true. Even if it were true, it would not be because we want to claim more but because the decline of heavy industry, coal mines and so on—matters alluded to by the hon. Member for Rhondda (Chris Bryant)—has left a legacy that we still have to come to terms with.



We must consider reform of the Barnett formula, as there is no question but that it is not delivering for Wales. I am not bleating without evidence to support what I am saying. The hon. Member for Montgomeryshire alluded to it. I hope that there might be a cross-party consensus and that we should sit down and consider the matter; if, at the end of the day, we are wrong, fair enough. But I sincerely believe that we are right in saying that the Barnett formula is not delivering for Wales and is under-funding the country. I shall develop a few remarks on that subject.

Bill Wiggin: Does the hon. Gentleman share my fears that once such an investigation, which may take place, reveals that Wales is getting a better deal than perhaps it should, the Government will be in a position to reduce the block grant? Does the hon. Gentleman not see that danger? Should not he therefore proceed extremely cautiously?

Mr. Llwyd: Perhaps if we had not done any research already the hon. Gentleman would be right, but we have commissioned research at Oxford university from Nuffield college and other places and we have authoritative evidence to show that what he suggests would not be the case. As a lawyer, I know that it is sometimes a mistake to ask a question unless I know the answer to it. The hon. Gentleman will undoubtedly agree with that. Having said that, I would welcome the opportunity to sit down with a group of Members of Parliament of different political parties to see if we can take this matter forward. I refer to the Treasury Committee's second report on the Barnett formula, which states:

"The Committee only took evidence relating to the formula. We believe, however, that it is time to bring the needs assessment up to date; this would help to show whether the Barnett formula remains the appropriate method of allocating annual expenditure increases . . . to the four nations of the Union. There may be good reasons why this formula should continue to be used in the future as it has for the last 20 years, but it is an argument that cannot finally be settled until it is clear that total expenditure, not just the increase, is still being allocated according to relative need."

We are saying that the formula is outmoded; it has had its time. As the hon. Member for Montgomeryshire said earlier, even the author of the report did not call it a formula. Much less did he think that it would be with us 25 years later. He is a regular attendee in the other place and I bump into him from time to time. His first word is always of apology, because of the formula being in place; it was never intended to be in place for 25 years. The Barnett formula is a crude instrument because it is too much in favour of a simple head count and is not needs-based, but it is more than that. We are given extra money on the identifiables, and it is within the remit of this place to decide which projects in England are identifiable in terms of a Barnett consequential of 6 per cent. For example, the Jubilee line, which cost £1.6 billion, was apparently not identifiable, neither was the millennium dome and all the consequential expenditure. The £1 billion that is being spent at Cheltenham on a new communications headquarters was not identifiable. Ministry of Defence spending in the UK is £300 per head, but in Wales it is £100 per head. Considering all that, I do not think that we are being subsidised or overpaid in any shape or form under the Barnett formula.

Mr. Martyn Jones (Clwyd, South) (Lab): Will the hon. Gentleman acknowledge that the Barnett formula is largely funded by the English taxpayer, who may not be amenable to its re-examination? If Wales were independent, where would that extra money come from?

Mr. Llwyd: There would be a totally different way of dealing with fiscal matters. [Interruption.] The hon. Gentleman may laugh, but I find it hard to accept the Chairman of the Welsh Affairs Committee being on his knees giving such a mealy mouthed and



pathetic little intervention. A Chairman and Labour party Member, he defends the status quo because he says that we are subsidised. He pays no reference to the needs of Wales, and yet he chairs a Committee that is meant to examine expenditure in Wales. [Hon. Members: "Answer the question."] The question is whether there should be a change in the chairmanship of the Committee—that is my view.

I hope that when we have a review, it will look at all the elements of expenditure rather than cherry-picking one or two. I am prepared to take part in such a review to see whether what we say about Barnett is accurate. As I said, I believe that it is.

The last subject that I will touch on is climate change. Of everything that we cover in the House, climate change is the most important. I am concerned that there is an understanding between the Prime Minister and the President of the United States and that America does not seem to acknowledge that there is a climate change problem. It has no regard for the Kyoto agreement or putting in place any means of cutting carbon emissions. That is a dangerous position, because we know that the United States is a huge polluter, but for narrow national interests it will not countenance a real debate.

At some point, the United States will have to have a real debate, but I believe that we are already seeing the early problems linked to climate change. Every other week, we read about flash floods—we never used to read about them—and they are coming nearer and nearer. Above all else, the most important item on the agenda for the G8 summit must be climate change. Unfortunately, there was no mention of that issue in the Queen's Speech, which disappoints me. The concentration on poverty in Africa may be a key to the issue, because, to be fair to the Prime Minister, he has said that he will concentrate on Africa, and the problems of climate change are to the fore in Africa as well.

Ian Lucas: Will the hon. Gentleman give way?

Mr. Llwyd: I will give way in a moment, but I must surely be allowed to make my point. Among the G8 countries, the United States must be made to realise that the Kyoto protocol has to be adhered to and that we must consider cutting emissions and building a more sustainable future. If we in Europe are prepared to do that slowly but surely but the United States is not, it will almost be a waste of time. That is why I say again that I wish the Prime Minister well with his concentration on Africa and at the Gleneagles summit.

Ian Lucas: The hon. Gentleman has now almost answered my question, which was whether he welcomed the fact that, of all the subjects that the Prime Minister could have placed at the top of the G8 agenda, he has placed Africa and climate change. We on the Labour Benches agree with and welcome much of what the hon. Gentleman has said on climate change, so will he welcome the priority given by the Prime Minister to the issue?

Mr. Llwyd: Yes, as far as it goes, but the hon. Gentleman may know of a report published by the Sustainable Development Commission on 22 June, in which the chairman, Jonathon Porritt, said:

"With so much attention focused on the G8 Summit in July, and on the role of the United States in particular, it would be all too easy for the Government to neglect what's going on in its own backyard. The UK has a massive gap to fill if we are to get back on track in meeting our 2010 target of a 20 per cent. cut in CO₂ emissions—and the signs at the moment do not look good. This is the real test of the UK Government's leadership in this area, whatever may or may not emerge from the G8 Summit."

Jonathon Porritt knows more about this subject than I do.

The SDC is also urging the Government to adopt three new targets where radical carbon emission savings are needed: a 50 per cent. cut in carbon emissions from buildings, over 1990 levels, by 2050; a 50 per cent. cut in carbon emissions from road transport by 2025; and a carbon neutral public sector by 2020. It wants the Government to step up energy efficiency measures, set radical new levels of vehicle excise duty to tackle road transport emissions and introduce an emissions charge. It is important to recognise that such a charge on international air travel cannot be imposed unilaterally; it has to be done internationally.

I do not know whether Committee members realise it, but when an ordinary airliner takes off to its initial height it uses more fuel in those three or four minutes than a family car uses in a year. We may talk about wanting an air transport strategy for Wales and all kinds of other things, but air travel is a huge polluter and we must look at that at some point and take it on board. If that means far more expensive air travel, so be it. We must do something about the carbon—the climate change—problem. I believe, as does the Committee, that we must invest revenue from the non-fossil fuel obligation into a new climate change challenge fund to support local authorities and communities in their pursuit of ambitious carbon-saving projects.

To answer the hon. Gentleman again, the declaration is fine, but let us hope that it is not merely words, because this is probably the most serious problem that everybody on these islands and beyond faces in the coming decade.

Albert Owen: I join those who have congratulated you on assuming the chairmanship, Mr. Caton. I am not sure how these things work, but I am pleased that you are in the Chair, having served under you on both the Welsh Affairs Committee and in Westminster Hall. You have the requisite skills.

I am pleased to follow the hon. Member for Meirionnydd Nant Conwy, particularly in light of his last point, because that important subject unites us all. This morning, I hosted a group visiting London from my constituency, and it is for that reason that I shall have to leave early. I sat down with young people from the sixth form and spoke about these very subjects, which they raised. We have an important opportunity to change the world and for politics to make a difference. So I join the hon. Gentleman in congratulating the Prime Minister on taking on two big issues: Africa, the only continent that has fallen behind in the past two decades, and climate change, which is the biggest challenge that faces us all in the future.

I was pleased to be in the Room to listen to my right hon. Friend the Member for Torfaen, who is an excellent speaker and delivered his speech with such balance. He and I have not agreed on major devolution issues, so I congratulate the Secretary of State for Wales on bringing us together and uniting us in support of the White Paper, which provides the best consensus within Wales on how we should move forward. That is what is important. [Interruption.] Yes, within Wales. The consensus goes right across the parties. We can make progress on devolution. The Liberal Democrats are keen to do so, as is Plaid Cymru.

We need that basis of support, not just referendums that do not reach a conclusive agreement. There could be three options in a referendum, giving 33 per cent. and whatever percentage remains, without showing a clear way forward. The proposed Bill can move us forward in many ways.



The Queen's Speech began, as it has for seven years, with the macro-economic policies that the Government want to continue to follow and with reference to sound public finances. Without that, many of the other things in the Queen's Speech cannot happen. As has been said, there is evidence in all our constituencies of that economic progress. I am the Member of Parliament for Ynys Môn, which had the highest unemployment throughout the '80s and '90s. That is not now the case. Unemployment has gone down by 50 per cent. We have real jobs and real families have benefited from our policies over the past few years. I am pleased that the Queen's Speech outlined that we are going to have the stability and low inflation that encourages investment in our constituencies. This weekend I will open a new investment project in Anglesey. When I was first elected, my predecessor had been fire-fighting, because of the closures of factories and units. That has turned around and it is to the credit of the Government. Jobs are being relocated to areas such as Anglesey. Stena, one of the biggest companies in northern Europe, has relocated many of its functions, including a distribution centre, from Ashford in Kent to Anglesey because we have invested in the necessary infrastructure. Call centre jobs are also being moved to the area, which provide flexible working patterns for many people in my constituency. We have an excellent record and I am pleased that the Queen's Speech concentrated on that.

I was pleased that the hon. Member for Meirionnydd Nant Conwy talked about the environment, because a couple of the Bills that I want to mention are on that subject. The draft marine Bill is very important and relates to the Labour party commitment to clean up our marine environment. More importantly, for development to take place, let us not forget the importance of coastal shipping and tourism to Wales. We need to look at the issues and have a proper planning structure in place.

The Plaid Cymru Members might be a little surprised at this, but I agree with their current president when he says that marine development and marinas are important for the local economy. We have been saying that in Wales for years. I am glad that Plaid Cymru is catching up with us and that it realises the important economic benefits of marinas in Wales, and specifically in north-west Wales. They enhance the economy of those areas and strengthen the local culture and language, and we should be proud of that.

Mr. Llwyd: Does the hon. Gentleman support the marina development proposed for Beaumaris?

Albert Owen: Yes, and I have for some four or five years. I am frustrated that we have not had a result on that from the Welsh Assembly Government. I support the development 100 per cent.

I understand that there are problems with licensing and dredging and that those are being debated in the National Assembly, but a decision needs to be made. I support the development because it is on a part of the island that has poor road infrastructure, so it has great difficulty attracting industry. The natural coastline is ideal for a marina development, which will bring much needed jobs there. So the answer is simply yes.

Mr. David Jones: I declare an interest, because the developer of that marina happens to be my client. Is the hon. Gentleman aware that the new development has been waiting for a dredging licence for two and a half years? Is that not an inordinately long time to wait?

Albert Owen: I do not have to declare an interest, except to say that the marina will benefit my constituents if it were to go ahead. With that interest in mind, only this week I pushed the National Assembly to make a decision on that.



There are lots of interested parties. I understand that the issue is complicated, with mussel beds and so on. That is why I am pleased we are going to have a marine Bill, which will give guidance for the future, so that this long drawn-out procedure does not have to happen again. There will be clearer guidelines for the planning authorities, for the National Assembly and for the Government, so that developments happen quicker and decisions are made more effectively.

The other thing that I want to talk about is the Merchant Shipping (Pollution) Bill. Again, that is important. Pembrokeshire saw some of those maritime disasters that affect us all year on year. Not only are habitats and marine development put at risk, but also the image of Britain as a coastal area for tourism. A lot of people are put off when they see stories on the news about maritime disasters. So the Bill will help. As I understand the details, Britain will make a contribution to an international pot so that we can deal with disasters of oil spillages and so on very quickly. Those are very important measures. I also welcome the draft corporate manslaughter Bill. Again, that has been a long time coming. It has been through the process before in draft form, but never saw the light of day in the House of Commons. I hope that it does on this occasion, because it is a scandal that many large companies get away with not fulfilling their responsibilities when they have not adhered to health and safety requirements and people have died as a consequence. They are literally getting away with murder in the courts, so the Bill is essential. It has been welcomed by many good and responsible companies, and also by the trade unions.

I hope I can be forgiven for returning to maritime issues. A lot of people died in the Herald of Free Enterprise disaster in our coastal waters. The only compensation available to their families was the cost of their belongings—somewhere in the region of £1,200. The company hid behind the master of that vessel as an individual. As I understand it, the Bill will do away with that so corporate management will be responsible, not an individual. At the end of the day, there are rules and regulations that master mariners and others have to follow. It would be the same in the rail industry.

Bill Wiggin: I am perhaps not as expert as the hon. Gentleman on that accident, tragic as it was. I understood, however, that it took place because the door was not shut properly. I think, in that example, the master mariner would be the person responsible—or is that wrong?

Albert Owen: From what I understand—I think the matter has gone through the courts, so we cannot be in trouble for dealing with it—that was normal practice. Ferries were turning around so quickly in Zeebrugge and Dover that they were going out with their doors open. A blind eye was turned by senior officers on the vessel. The master mariner, of course, is on the bridge and did not know what was happening on the car decks. Now there is equipment so that he can see from the bridge. At that time, the master mariner would have been responsible, but it should have been the company's responsibility because it allowed that practice to take place.

Nick Ainger: Vessels were leaving port with their doors open so that they could clear the exhaust fumes from the cars and lorries. That is why it was considered a corporate issue, not just one for the master mariner.

Albert Owen: My hon. Friend is right. The vessels needed the doors open because they were in a rush and there was no time for the fumes to settle down or for the fans to be put on to clear the area. I am grateful for that intervention.

I wanted to mention those Bills because we have tended to concentrate on constitutional issues. As my right hon. Friend the Member for Torfaen said, those were not the subjects that came up on the doorstep, certainly not when I campaigned in Ynys Môn.

David T.C. Davies: Will the hon. Gentleman give way?

Albert Owen: I will in a moment, for one last time. Although my principal opponent, the Plaid Cymru candidate, put constitutional matters as a top issue, he lost votes on it. The greatest concern of the people of Ynys Môn was not greater powers for the National Assembly for Wales.

Mr. Llwyd: If it did cost votes last time around, we will learn from that experience and make sure we do not lose any next time.

Albert Owen: I have heard the hon. Gentleman say before how he is going to recapture Ynys Môn.

Mr. Llwyd: We nearly did.

Albert Owen: No, Plaid Cymru did not. They actually lost votes, and I gained votes. That was a consequence of the democratic procedures and the votes of my constituents.

David T.C. Davies: To return to the point the hon. Gentleman made a minute ago, he said, quite correctly, that constitutional issues were not coming up on the doorstep. Yet other colleagues of his have said that the constitutional issue about the list was coming up on the doorstep. Can we have a definitive answer from a Labour Member of Parliament as to whether or not constitutional issues did, or did not, come up on the doorstep? I do not believe that they did, and the change to the electoral system is being done to help the Labour party.

Albert Owen: The hon. Gentleman did not quote me correctly. I said that I did not hear the subject coming up on the doorstep, and that it was not an issue for me in Ynys Môn. I do not want to go on too long about the constitutional issues, but they are important to Ynys Môn. If we consider the 1997 referendum result in Ynys Môn, it mirrored that of the rest of Wales. The 2005 election was not the occasion for the great advancement of additional powers. I am pleased with the White Paper "Better Governance for Wales" because it deals with issues relating to the Assembly, such as the separation of the Executive from the body, and with other issues on a case-by-case basis, so that when the Assembly feels it is the right moment, things can happen.

I want to touch on electoral arrangements. I should explain to the hon. Member for Meirionnydd Nant Conwy that I was not in the Chamber for the beginning of Welsh questions for the same reason that I shall have to leave early today: I had constituents down and, as they had travelled a long way, I thought that it would be courteous to at least see them to see their seats with their tickets.

I agree with the earlier intervention of my hon. Friend the Member for Llanelli, when she said that top-up fees were administered differently. Many people in north Wales feel disfranchised, particularly those who voted Labour in the second ballot and who have seen no additional Members. That is not about spite, and it is certainly not about Zimbabwe, as the hon. Member for Meirionnydd Nant Conwy said. It is about fairness, and it is about each vote counting.



My hon. Friend the Member for Cardiff, West (Kevin Brennan) has returned to the Room. He was involved in the yes process on the top-up method, but the process is wrong. We should go as far as my hon. Friend the Member for Llanelli suggested, with just one box on the ballot paper for the National Assembly elections. If someone supports a party, there should be proportionality for top-up fees. My favourite option, which will not happen, is the alternative vote, as my right hon. Friend the Member for Torfaen suggested. That would have addressed problems such as gender balance, and political parties could have had two Members in one constituency. That was an opportunity lost. We should, however, debate that and move forward.

It would be fairer if the section on proportionality in the Government of Wales Act 1998 were amended to represent just that—the proportion of votes cast for each party. That is fairness, and I am sure that even the Liberal Democrats could not disagree with that, because that is what they have been arguing for for at least a century.

Lembit Öpik: Does the hon. Gentleman support the same principle in general elections?

Albert Owen: The hon. Gentleman had the answer to that from the Secretary of State: it is a different electoral system. I would prefer an alternative vote in a general election, because, as has been said, it is important to have a link between the Member and the constituent. I want the alternative vote system for the House of Commons, because each Member would acquire 50 per cent. of the vote. With many marginal seats, few Members would have 50 per cent. The hon. Member for Leominster, who is not a Welsh Member, said that in his English constituency he has more than 50 per cent. of the vote, so there are a few, but the alternative vote would give a clearer mandate, and it would provide that top-up system within a boundary.

I am pleased that the Bills that I have mentioned are in draft form. I hope that the Minister supports my desire to see them introduced early so that they are not lost at the end of the parliamentary period. The environment and the coastal environment are important to Wales. The new Government of Wales Bill and the White Paper are a good step forward. I do not agree with identity cards. I certainly do not support the principle. They will not achieve their aims and objectives and will cost an awful lot more than people first thought. We should consider the principle and practicality of them, and the price of them to the individual. I am uncomfortable with them.

I also have slight concerns about the incapacity benefit Bill. No one has touched on that, although we talked about economic inactivity. I want a fair system of support and help for less able people to get into work. We can all agree on that. However, I am worried, and I speak with experience as someone who worked as an adviser and helped many economically inactive people before I came to this House. I am all for the carrot and stick approach, but we should give the carrot first by helping people, rather than yield the big stick. We could end up in a situation in which we put people who are on benefit on to lower incomes, and that would not help us achieve our other outcomes. I realise that it is a difficult balance for the Government to strike, but I want them to put those support mechanisms in place before they move forward.

I welcome the Queen's Speech and the measures in it to help Wales and the people of Wales. The macro-economic policies are right and if we continue on that track, we will bring greater prosperity to the people of Wales. I am pleased with the corporate manslaughter Bill, and the draft marine Bill, which I would like to be speeded up. The White Paper will give better governance in the future for the people of Wales, working in partnership with this House and the National Assembly. I recommend those measures.



Bill Wiggin: I, too, welcome you to your role, Mr. Caton. We served together on the Welsh Affairs Committee, and although you have the footsteps of a great man to follow in, I am sure you will do so admirably.

Over five weeks ago, the Secretary of State for Wales described this Queen's Speech as a bumper one for Wales. Yet of the 45 bills and five draft bills, the two "Wales only" Bills—the Commissioner for Older People (Wales) Bill and the Transport (Wales) Bill—were both introduced in the last Session but fell because of a lack of time before the election.

Of course, we have been delivered a White Paper on devolutionary arrangements, and the promise of a Government of Wales (Amendment) Bill as well. However, the provisions leave much to be desired. The only other new legislation for Wales is a draft tourism Bill. For all the claims to be doing a lot for Wales, this Queen's Speech has been less than inspiring. The real issues are ignored, the real priorities are not tackled and the delivered Bills leave many uncertainties. We have already begun to consider the Transport (Wales) Bill. Although we did not oppose the major proposals in the Bill, on Second Reading it became obvious that there are numerous problems and questions, which I look forward to covering in Committee.

On the Commissioner for Older People (Wales) Bill, there are serious shortcomings in the existing services and provision for the elderly in Wales which will not be overcome by creating a commissioner for older people alone. As the Welsh Assembly's advisory group on older people has said:

"For older people . . . there are problems of poor housing, poverty, poor nutrition, lack of opportunity for employment, education and leisure, inadequate transport services and dissatisfaction with health and welfare provision."

Ian Lucas: Would any of those problems be solved by reducing the amount of public investment spent on them?

Bill Wiggin: The important question that the hon. Gentleman should have asked is why we have a different system in England from the one in Wales. We should be trying to get the best for elderly people in both countries. He knows perfectly well that we had no plans to reduce the Welsh block grant. I think he was trying to score points on that; I think he missed.

After running through some of those serious problems for elderly people, I would like to know how are we supposed to have faith in the changes proposed to the legislative system in Wales by a Government who, only last week, pushed the Commissioner for Older People (Wales) Bill through the Lords before the Assembly had finished its consultation process. That sort of action by the Government must be borne in mind when we consider the potential for the White Paper on the governance of Wales.

We have seen from that White Paper, released last week, that Labour assumes that the Assembly's powers must somehow be increased. We say now, as we have always said, that additional powers should be the decision of the people of Wales in a referendum. Though the Secretary of State seems to have finally accepted that, he is determined to propose changes, blatantly professing to move towards greater powers for the Assembly, with no referendum. At the same time he has admitted that a referendum would be lost. Of course, we know why the Secretary of State is afraid of referendums, and it is not only because of the French and Dutch votes on the European constitution which he described as a "tidying-up exercise". It is the fact that Rhodri Morgan's Labour party have made such a mess, and the right hon. Gentleman is frightened that the people of Wales would

use a referendum as an opportunity to express their fury at Labour's failure, particularly on health. That is why the Secretary of State made the extraordinary comment that the referendum would be lost.

For once, I think that the Secretary of State is right: the constitutional preferences of the people in Wales are not certain. Only 31 per cent. of Welsh people feel that standards of living have improved since devolution; only 24 per cent. feel that the NHS has improved; and only 30 per cent. feel that education has improved. With such doubts, how can he justify forcing through changes to the Assembly without that referendum? Perhaps it is because the Labour party will do anything to avoid a referendum. Labour is more concerned with preserving the façade of unity in its party than with doing what is best for Wales, hence the sudden change of mind on the electoral system in Wales. That is the system brought in by Labour, under which all Labour AMs stood on regional lists, and which, under threat from Conservative successes, it suddenly wants to change.

Lembit Öpik rose—

Bill Wiggin: I will give way to the hon. Gentleman who objects to my being here.

Lembit Öpik: I am sorry that the hon. Gentleman has taken my remarks so personally, but since he is here, and as he is talking about unity, I would be grateful if he could tell us how many of the four Conservatives present support the existence of the Welsh Assembly and how many are in favour of abolishing it?

Bill Wiggin: I dare not respond to that intervention because I have to stay in order and I do not think that mention of a referendum is included in the Queen's Speech, as it should be. However, I suspect that my colleagues and I are very much unified in our views on the Welsh Assembly and its past performance, particularly in relation to health care. We are all united on this: when it comes to changing the powers or the deal that the people of Wales agreed to last time they voted, there should be a referendum. We can all agree on that.

Rhodri Morgan said that the moves suggested in the White Paper would be

"a great advantage to Parliament because they have got an awful lot of parliamentary business to get through".

If that is the best reason that he can come up with for the proposals in a Government of Wales (Amendment) Bill, the people of Wales have every right to despair. Wales deserves better than to be dictated to by a Government who could not care less about people's opinions and who suggest moves purely on the basis of political expediency. Moves to transfer powers to the Assembly should be for the benefit of Wales, and for no other reason.

As long as the Government's proposed Bills keep ignoring the real issues that affect Wales, things in Wales are unlikely to improve. Offering legislation such as a Bill on tourist accommodation simply repeats more of the same uninspiring, wrong priorities. The suggestions have been described by the Wales Office as boosting a £100 million industry. It is certainly true that tourism is vital to the Welsh economy. What is more doubtful is whether the imposition of more red tape and regulation will really help that industry.

We all know that the Welsh economy needs as much help as possible. For all the hard work of the people of Wales, the gross value added per capita in Wales now represents just 77.3 per cent. of England's earnings. That compares with the 79.7 per cent. level



Wales had reached in 1997. Wales's economic activity rate fell 1 per cent. last year to 75.1 per cent., which compares with the UK's 78.6 per cent. The number of those in long-term unemployment increased by 16.3 per cent. Yet what moves have we seen in the Government's legislative programme to tackle that sort of issue?

The Queen's Speech has promised welfare reform, and clearly that is important in Wales. One in five people in places such as Merthyr Tydfil and Swansea are claiming incapacity benefit. Nowhere is our country's manufacturing industry more obviously in crisis than in Wales. Some 40,600 jobs have been lost since Labour came to power. What are the Government doing to solve that problem? It would be comic, if it was not so tragic: the best that they could do in announcing the legislative programme was to change the name of the Department for Trade and Industry. That is hardly decisive action. Similarly, there are vague suggestions of a draft pensions Bill to

"begin long-term reform to provide sustainable income for those in retirement".

What? That is after plundering pension funds for the past eight years. As Ana Palazón, Wales executive for Help the Aged, said,

"we want to see a root-and-branch reform . . . The current regime is . . . far too complicated. Pensioners want a decent sum of money that they can live on without having to go cap-in-hand to claim means-tested benefits."

The major crises in Wales remain neglected.

Ian Lucas: Does the hon. Gentleman think that £67 a week is an acceptable income for a pensioner? That is what it was when the Conservatives left power in 1997.

Bill Wiggin: I suspect that pensioners have not forgotten the 75p increase that the current Chancellor of the Exchequer gave them either. He has spent eight years pillaging the pension service. The hon. Gentleman should remember what the right hon. Member for Birkenhead (Mr. Field) said about the pensions situation that Labour inherited: that it was the strongest in Europe. It is now in crisis. [Interruption.]

The Chairman: Order. We will have no more comments from a sedentary position.

Bill Wiggin: When the hon. Member for Wrexham (Ian Lucas) decides to intervene on the issue of pensions, he should tread carefully.

The major health crises in Wales remain neglected: 284,902 people are still waiting for treatment. In the past month, an extra 100 people have been waiting more than 18 months for out-patient treatment, and the figure is 85 more for in-patient treatment. The Assembly has admitted that it has a funding shortfall for its hospital building programmes. I shall give just two examples. Wales's biggest health trust, Cardiff and Vale, faces a £13.9 million deficit, and I believe that Glan Clwyd hospital faces an £8 million shortfall. I pay tribute to the hard-working staff of the Welsh NHS and other essential services, but the problems facing these sectors cannot be ignored. No matter what the Queen's Speech proposed, Labour's maladministration on the issues that matter will continue to impair Wales's prospects and development. The people of Wales are worried about waiting for hospital treatment, out-of-hours GP services, securing an arrangement on top-up fees, the closure of 61 of their schools under Labour, tens of thousands of manufacturing job losses and the fact that, despite their hard work and effort, Wales still lags way behind England on employment and earnings. It is obvious that it is about time that the Government took some action on the right priorities and the things that matter.



Mr. Martyn Jones: I begin by congratulating you on your chairmanship, Mr. Caton, my right hon. Friend the Secretary of State on his reappointment to the Wales Office and my hon. Friend the Under-Secretary of State for Wales on his much-deserved elevation from the Whips Office to the Wales Office.

I also congratulate the Government and the Secretary of State on ensuring that Wales featured so prominently in the Queen's Speech. It is said that Governments run out of steam in their third term, and accusations were made a couple of years ago about a dilution of Welsh influence at the heart of Government. However, the contents of this Queen's Speech, from a Welsh perspective, nail that myth once and for all. It contained one of the most extensive lists of Welsh and Wales-related Bills that I can remember, and it demonstrates clearly the Government's ongoing commitment not only to addressing non-devolved issues in Wales, but to the prominence that Wales has within wider UK Government.

I shall concentrate today on just a few of the Bills, starting with the Commissioner for Older People (Wales) Bill, which is hot on the heels of the legislation establishing the Children's Commissioner for Wales. Once again, Wales is setting the pace across the UK by advocating the introduction of a similar commissioner for older people. This will be a unique and innovative position in the UK and, as the Wales Office has reminded us since it was first announced, it is probably the first of its kind in the world. If the success of the Children's Commissioner for Wales is anything to go by, it will not be long before the rest of the UK is clamouring for its own commissioner for older people.

With the demographics changing in Wales as they are in the rest of the UK, we will all, we hope, live longer. Although that is good news, the interests of older people will need to be represented properly. As I am rapidly becoming one, I think that that is very important.

Julie Morgan: Does my hon. Friend have a view on what age should be the starting point for the commissioner for older people?

Mr. Jones: That is a good question and probably one that the Government should answer. [Interruption.] A little bird on the Government Benches has said 60, which seems appropriate.

Julie Morgan: Is my hon. Friend aware of the Law Commission's view that people over 50 could be considered as part of the remit of the older persons' commissioner?

Mr. Jones: As someone who qualifies for Saga Magazine, I think that that is probably an appropriate age. As I said, it is a matter for the Government, but I imagine that it has been set at the age at which people retire, rather than the age at which people often begin to feel that they ought to retire, as so many of us do.

There is a need for older people's interests to be represented. Their views should be taken into account when decisions are made, and discrimination should be eliminated. That is particularly important in light of the prediction that, although we are going to live longer, the demographic time bomb could mean that we all have to work longer. The Bill is visionary in that it proves that the Government take the issue of older people seriously, and I believe that they should be congratulated on it.

I turn to the tourism accommodation registration Bill. The importance of tourism to the Welsh economy cannot be underestimated. One of the cornerstones of its success is the standard of accommodation that tourists experience when they arrive in our beautiful



country. The statutory registration of such accommodation is not only important; it is essential. I am delighted that the Government have seen fit to make it a draft Bill with pre-legislative scrutiny being offered—I hope by the Welsh Affairs Committee which, despite the comments of the hon. Member for Meirionnydd Nant Conwy, does not exist at the moment, so I am not its Chairman.

Mr. David Jones: Is the hon. Gentleman aware that the industry is primarily opposed to that legislation? Is he aware also that a harmonised grading scheme is about to be agreed that would render a registration scheme redundant?

Mr. Jones: I am sure that that will be taken into account in the pre-legislative scrutiny. The draft Bill procedure means that the Select Committee can interview witnesses, which is not usual. The tourism bodies that the hon. Gentleman mentioned would be able to express their views to the Committee. The Government have often listened to that Committee, which is an advantage in disputes about the efficacy of legislation. As I said, I am not yet Chairman of the Select Committee, but I would like to continue working with the Assembly on draft Bills such as the tourism Bill. Pre-legislative scrutiny is an important procedure. When such legislation finally reaches the statute book, it is more effective and more pertinent to the country's needs. The Bill will give the industry a real say in for the legislation. It will have a sense of ownership in the scheme when it is introduced, which is vital to ensure that the providers of tourist accommodation, tourist organisations and, most important, the tourists themselves will have confidence in the registration and inspection scheme. The scheme will ultimately deliver a common denominator of accommodation standards, which will not only ensure that tourists are attracted to Wales but will assist in ensuring that they return again and again.

I am proud of the work undertaken by the Welsh Affairs Committee. A couple of years ago, in its report "Wales in the World", we looked at perceptions of Wales from a foreign perspective. The strength of the Welsh tourist economy was pivotal. The draft Bill underpins the main thrust of that report in promoting Wales as a first choice destination for tourists. Introducing the registration and inspection scheme contained in the report demonstrates Wales's collective ambition to make itself a first choice destination. That can only be good for Wales, for the Welsh economy and for our future prosperity. I now turn to the pledge to introduce a Bill following the recent publication of the White Paper "Better Governance for Wales". I am sure that I speak for most Members in thanking Lord Richard for giving us the foundations and framework for change in the governance of Wales. His stewardship of the debate—it was an important moment—ensured that everyone has an opportunity to contribute to the development of devolution in Wales. The approach recommended by Lord Richard of giving the Assembly wider powers by having a direct input into the detail of how Bills will be implemented in Wales is welcome. Similarly, the plan for the Assembly to bid to implement new policies or changes to legislation through a simple vote in both Houses in Westminster will be welcomed throughout Wales.

The door is also left open for further changes, and the organic nature of what is proposed in the White Paper is entirely in step with what the Assembly needs and what the Welsh people deserve. Particularly timely is the Government's pledge to make Assembly election candidates choose between standing as a constituency Member or a list Member. The current system is undermining democracy in Wales and devaluing people's confidence in the Assembly. The move is a welcome correction, and I am sure that it will be welcomed for the next Assembly elections in May 2007.

Like many of my right hon. and hon. colleagues, I look forward to the Bill being published during the next 12 months. Overall, there were many good measures in the Queen's

Speech that will benefit Wales, and I welcome their debate and introduction over the coming year.

Jenny Willott (Cardiff, Central) (LD): I am very pleased to be here, particularly as part of the official Opposition in Wales—the biggest group of Liberal Democrat MPs in Wales that there has been for years. I represent by far the best constituency in Wales. We have the Millennium stadium, St. David's hall, Cardiff castle, Cathays park, almost four universities and colleges and a diverse community, so I feel privileged.

I am the first Liberal Democrat MP in Cardiff since 1923. I am the first ever Liberal Democrat woman MP in Cardiff and the second ever Welsh Liberal Democrat woman MP after Megan Lloyd George, who unfortunately crossed the Floor. That will not happen with me—I need to stay on the Liberal Democrat Benches, otherwise there would be absolutely no women in the Welsh Opposition.

As other hon. Members have already mentioned, what is most noticeable about the Queen's Speech is what is not in it rather than what is. It suggests that Labour's priorities are a long way from those of the people of Cardiff, Central. Why else would an enormous 45-Bill Queen's Speech completely ignore issues such as council tax, pensions, student debt and free personal care for the elderly?

The people of Cardiff know very well what they think of council tax and how unfair it is. As has already been mentioned, there are terrible problems across Wales with the rebanding of property for council tax, but the situation in Cardiff is even more extreme. Nearly two out of three houses in Cardiff went up by at least one band, and only 2 per cent. went down. More than 100 houses went up by three bands or more, and the property of one poor family has gone up by six bands. That is a fundamentally unfair system. To give one example, every house on my street has gone up by at least two bands, including mine unfortunately. One of my neighbours is 90 in August—an incredible woman—and has lived in the same rented house for 63 years. She does not own the house, so it does not matter what the value of the house is. She cannot benefit from any increase in the value and her income has not gone up, but she had to find an extra £100 for council tax this year, and will have to find at least another £100 again. She pays the same amount in council tax that I pay, and our incomes are not even remotely similar, particularly now.

Under local income tax, the average household would be about £450 a year better off. About half of people would be better off, 30 per cent. would be slightly worse off and 20 per cent. would be about the same. Under our scheme, more than 80 per cent. of pensioners such as my neighbour, who are often those worst hit by council tax, would gain.

Albert Owen: The hon. Lady is talking about two issues with regard to council tax. The first is rebanding. Did the Liberal Democrats not support rebanding in the National Assembly when they were part of the coalition Government? To decry it later is a bit cheeky. Secondly, is it now the intention of the Liberal Democrats to scrap the local income tax because they do not think that it is popular with the electorate?

Jenny Willott: No. One particular person has said on record that he is not in favour of the local income tax. Everyone is entitled to their own personal view, but it remains Liberal Democrat policy to scrap the council tax and to introduce the local income tax. However, that issue is not dealt with in the Queen's Speech, despite the fact that in my constituency it was the issue that was raised most often on the doorstep during the election campaign.

We do not know where the Government stand on pensions policy. There are no proposals to get rid of the bias against women, which is built into the system, and pernicious means-testing remains, which means that many people do not get the money to which they are entitled and live below the notional poverty line. There is nothing much in the Queen's Speech about that either.

Another issue, particularly in Cardiff, Central, is that of student debt, which gets worse from year to year. We have already discussed the agreement on top-up fees that was reached in the Welsh Assembly this week. I find it strange that Labour Committee members have criticised that agreement, because Welsh students who go to English universities will have to pay top-up fees. The only reason that students are worse off is that the Labour Government introduced top-up fees in the first place. Those Committee members now criticise the Assembly for not doing enough—at least it is doing something.

It is shameful that the Labour Government have allowed the situation to come to this. Students are now leaving university with £15,000-worth of debt.

Bill Wiggin: And it is going up.

Jenny Willott: As the hon. Gentleman says, it is increasing year on year. Drop-out rates rise every year, too. There are fewer university applicants from deprived backgrounds, particularly for degrees such as medicine. Ever-increasing emotional demands are made on teaching staff by students, due to the financial and work-related problems with which they struggle while trying to do their degrees.

One of the most important things that we can do for the future of Wales and the UK as a whole is to ensure equal access to high-quality education, no matter what one's background is. As the hon. Member for Rhondda pointed out, top-up fees risk turning students from poorer backgrounds away from university, and we should not allow that to happen.

All that shows the skewed priorities in the Queen's Speech, which ignored issues such as the council tax, pensions and student debt and focused instead on illiberal and unnecessary measures such as ID cards, which have also been raised in this debate. Finally, I shall address the issue of the health service, which is a priority in Cardiff and everywhere else in Wales. One of the easy ways to deal with some of the delayed discharges that cause such problems in our hospitals would be to introduce free personal care for the elderly. That would allow more vulnerable elderly people to be treated in their own homes. I know of patients in the west wing of Cardiff royal infirmary in my constituency who cannot leave their wards because they need nursing home care to return home but cannot afford it. They stay in hospital because that is free, but block beds, with the result that other people from the acute wards cannot move into them.

Nia Griffith: Will the hon. Lady explain how she would fund such free personal care?

Jenny Willott: As Committee members will no doubt know from the information that was put through everybody's door during the recent election, we would introduce a new, 50 per cent. rate of income tax for those who earn more than £100,000 a year. That would pay for such care.

Nia Griffith: How, then, would the hon. Lady attract good-quality consultants to work in the health service?

Jenny Willott: I see no link at all between the point just raised and what I was speaking about. I shall carry on discussing what I was talking about.

There are not any spaces, in Cardiff in particular, for those who are able to afford to go into nursing homes. We have nothing short of a nursing home crisis in Cardiff. Almost every nursing home in my constituency has closed, and it is acknowledged that there are 200 too few nursing home beds and 200 too many patients in hospital beds. People have no choice but to stay in hospital. That is bad enough in itself, but it also has such grave consequences for hospital services. Capacity for the elderly is draining, leaving hospital services straining at the seams.

Not only is free personal care a humane and dignified way to treat our elderly citizens and the long-term sick, but it would ease bed blocking in hospitals and result in a more effective use of hospital care resources. That issue did not appear in the Queen's Speech either. I want what the people of Cardiff want: a fairer tax system, a health service of which they can be proud, fairer pensions at a decent level and access to education for all. Unfortunately, the Queen's Speech provided none of those things.

Mrs. Siân C. James (Swansea, East) (Lab): I appreciate this opportunity to take part in this debate on the Queen's Speech, which I welcomed because it included many of our manifesto commitments. I was particularly pleased to note that it included the announcement by the Queen of the Government of Wales Amendment Bill. Last week saw the publication of the "Better Governance for Wales" White Paper, which we have discussed extensively. I apologise to Committee members, but I am going to revisit some issues that we have already discussed, in particular the White Paper's proposals on the electoral system and on what many in Wales know as the top-up system. I apologise for raising that thorny issue, but Opposition Members may not have discussed it in their constituencies. I know from talking to friends and others, however, that there is great confusion about it. We all know what the current systems are—we are politicians, and we are paid to know. We know what the system in Westminster is and how the Assembly works. To the ordinary person chatting in the clubs or in their homes in Swansea, East, however, these things are very confusing. People have a Member of Parliament and an Assembly Member and then they have regional Members, or what I call—if hon. Members will pardon the expression—the buy-one-get-four-free Members. People vote for a Member and then get another four, and they wonder where the other four came from. Although they were on a list somewhere and were elected on a first-past-the-post system, people may not know who they are.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): Does the hon. Lady not agree that part of the confusion that some of her constituents experience may be down to the fact that there are just too many politicians in Wales?

Mrs. James: I do not agree. We need politicians in Wales, although people need to know what they do on their behalf and how they can contact them. What are the problems with the current system? The results are disproportional. In this country, we have a historic tradition of people going to their elected representatives, and that is a crucial, valuable relationship. Constituents know where to go with their problems and who they can speak to, because they have built up a relationship. As a newly elected Member of Parliament, I am hoping to build up a relationship with the people of Swansea, East.

Mr. Roger Williams (Brecon and Radnorshire) (LD): As I understand it, there is a historic tradition in this country that anybody can stand for any election so long as they live in the area and are not disbarred because they are bankrupt, a criminal or in prison. The hon. Lady is suggesting that we do away with that historic privilege.

Mrs. James: No, the hon. Gentleman is putting in words in my mouth. I am saying that people need to be clear about the system; I am not talking about disbarring anybody from standing anywhere. We are clarifying the situation and bringing transparency to it. I shall return to that point later.

If we ask the average person about the issue, it is clear that they are confused about who does what and what the regional Assembly Members do, but they are very clear about what a first-past-the-post Assembly Member does. Hon. Members may not agree with me, but I am out there talking to people daily. There is considerable dissatisfaction that candidates who are rejected by a constituency can still become Members of the National Assembly for Wales through the regional list and are able to claim to represent the constituency that rejected them. Members who are defeated in particular constituencies can then go on to work as the local representative, setting up a constituency office and claiming to represent that constituency fully. In a way, they cherry-pick the issues and the problems, deciding what they want to get involved with. They have the luxury and the time to do that.

Let me share an experience with hon. Members. Many Members present will know that I was a lobbyist in my past life. I have been a director of Welsh Womens Aid and other organisations. I was once approached by a regional Assembly Member's researcher with a complaint. He came to me as someone who could solve the problem and shed some light on the matter, but I was puzzled as to why this regional Assembly Member would want to approach me about that issue in that particular region. I had a great argument with the researcher on the telephone and, in the end, I proved to him that the Member did not actually represent the person who had come to him. As a result of confusion about the regional boundaries—it was only a matter of a few miles—that person had gone to see the regional Member and brought up the problem that was raised with me. In fact, it was not a matter for that Member; it was somebody else's problem. I have seen the issues at first hand.

Peter Law (Blaenau Gwent) (Ind): Is that not a great example of the fact that the vast majority of people in Wales see the proportional representation system as a perversion of democracy, as something totally unreal and as what some of us refer to as a lottery system? The majority of people feel much happier and more comfortable with the first-past-the-post system, which has been the test for a long time.

Mrs. James: Certainly, that is how I feel; I agree with the hon. Gentleman, although I recognise that other people might feel differently.

Mr. David Jones: Is the hon. Lady suggesting that regional membership should be scrapped—that there should be no more regional members?

Mrs. James: No, I am suggesting that there should be more clarity and transparency. People should know what they are voting for and what they get for that vote. When people go into the ballot box and put a cross next to a name, I want them to know exactly who they are voting for. They might have studied their election literature; they might have heard them speak; or they might have met them on the doorstep. I call that democracy in action.

My concern is that, through the regional top-up system, people who had a very small percentage of the vote might end up getting elected. They might not have been well known in some parts of the region concerned—we should bear in mind the size of our regional areas—and voters might not even know the person who represents them.

Lembit Öpik: Is the hon. Lady advocating open instead of closed lists?

Mrs. James: No, let me explain what I am advocating. We have a system in Wales; we have our Assembly system, and I do not want to dismantle the Assembly. I have been a great proponent of the Assembly, and I am totally committed to devolution. However, I want to see it working well, and working openly and transparently on behalf of the people. When people make their cross for their second vote, they do so for a party. They need to do it for an individual, and that individual must be named, and the area they represent must correspond to the voter's region.

Lembit Öpik: The hon. Lady seems to be describing the open list system, and I just want to check that that is what she is doing. If she is saying that she wants to associate the vote for the list member to an individual, the only way to do that is through an open list, rather than the existing closed list system.

Mrs. James: I stand corrected. Perhaps I did not explain myself as clearly as the hon. Gentleman might have liked, but what I want is for people to have that power and control over their own vote.

Bill Wiggin: I sympathise with a great deal of what the hon. Lady says, but I do not think that the option she wants will be forthcoming in the White Paper, so will she support it or not?

Mrs. James: I want us to have a debate on that, and I will contribute my opinions and suggestions when we do so.

I believe that reform of the system is vital. I only ask that the people of Wales have transparency, and that they have confidence when they enter the polling station. I welcome the White Paper because it will clear up this anomaly. It will prevent Members who are defeated in constituencies from having a fake attachment to that constituency.

The Chairman: I call Mr. Crabb.

Mr. Crabb: I do not wish to speak.

Mr. David Jones rose—

Lembit Öpik: On a point of order, Mr. Caton. I think that this is the first time that I have witnessed a Member resist the terrible temptation to make a speech when they do not have to make one. I applaud the hon. Member for Preseli Pembrokeshire (Mr. Crabb) for his sage and mature response to your invitation.

Mr. David Jones: I do not intend to detain the Committee long, but there are two matters that I would like to refer to. I touched on one of them in an intervention when I mentioned the tourism accommodation registration Bill, which is a matter of considerable concern to me as I represent a constituency with a significant tourist industry. The representations that I am receiving from my constituents say that the measures in the Bill will be completely unwelcome, particularly if they bear any relation to the proposals put before the Assembly.

The Bill will place a great burden on tourism operators in Wales and require them to comply with regulations that are frankly unwelcome. The registration system, which will be subject to the harmonised grading system, will be comprehensive and will give absolute



clarity to those seeking accommodation in Wales, particularly those from overseas—the people whom the legislation aims to protect, according to the relevant Assembly Committee. A registration system will add nothing to protection for the public, but it will impose with on tourist operators a significant administrative and cost burden that could be dispensed with. Of course, the matter will be discussed later in Select Committee, but I flag up the fact that I certainly do not regard the Bill as a welcome development and I shall oppose it. Secondly, the White Paper is the principal cause of concern for most Committee members on both sides of the Room. There are three elements to the Bill, one of which I welcome: the creation of the new Executive structure for the Assembly. The present structure does not make for clarity. It is important that there be a clear division between the Executive and the secondary legislature in the Assembly. At the moment, we have the fiction of the Welsh Assembly Government, and it would be preferable to put that matter on a proper statutory footing so that there can be proper scrutiny of what the Executive do in Wales. To that extent, I welcome the legislation.

Ian Lucas: I am listening with interest to what the hon. Gentleman has to say. Bearing in mind that he was an Assembly Member, if only briefly, does he think that the Assembly has sufficient capacity to carry out scrutiny of the Executive in Cardiff?

Mr. Jones: It does under the current arrangements. However, another element of the Bill is that the responsibility of the Assembly may well be significantly extended. I suppose it is a matter of waiting to see whether the scrutiny capacity of the Assembly will be sufficient. In my experience it probably is sufficient now.

Bill Wiggin: That was a curious intervention by the hon. Member for Wrexham, because the concept of increasing the size of the Assembly is not on offer; it is not in the White Paper. It was a Richard recommendation, but the Government seem to have ignored it.

Mr. Jones: The hon. Gentleman is quite right. No doubt the hon. Member for Wrexham has his own agenda, which he will expand on at some later time. If he is calling on me to express my experience, I should say that I think that there is probably sufficient capacity at the moment.

Lembit Öpik: Is the hon. Gentleman in favour of abolishing the Assembly or not?

Mr. Jones: I am certainly not in favour of extending its powers. My position has been clear over the years: I opposed the establishment of the Assembly, and I remain to be convinced that it exists for the benefit of the people of Wales. The second element of the Bill is to confer enhanced legislative powers on the Assembly. I regard that as the most worrying aspect of the Government's proposals. The Secretary of State has already suggested that there is insufficient consensus in Wales to win a referendum on extended or primary legislative powers. That is absolutely true. The enthusiasm expressed for devolution in 1997 was a very milk and water affair: the poll attracted the vote of approximately half the electorate of Wales and of those who voted, just over half voted in favour of devolution. The majority across Wales was in the region of 6,000. I would suggest that, on those percentages, one would not change the constitution of a bowls club, let alone the constitution of a country. Nevertheless, that is what happened. In my view, it is unlikely that there is more enthusiasm for devolution now. Indeed, there may be less in parts of north Wales.

Kevin Brennan (Cardiff, West) (Lab): Nick Bourne likes it.

Mr. Jones: Well, Nick Bourne can express his opinion. I am concerned that the powers of the Assembly are to be extended. However we look at the situation, we will have a back-

door extension of the Assembly's powers through the fast-track process. That will be a major constitutional change—a change that the people of Wales have not voted for. If the powers of the Assembly are to be extended, they should be extended on the back of a referendum held now, not one that might be held some time in the future when the process has already been put in place.

Ian Lucas: Does the hon. Gentleman believe that an extension of the powers of the Assembly would give rise to a referendum? For example, devolution of student finance in Wales was in the Higher Education Bill. Should that matter give rise to a referendum?

Mr. Jones: I am extremely concerned about the creeping advance of devolution. It must be recognised at some stage that the Assembly proposed in the White Paper is a different animal from the Assembly for which the people of Wales voted in 1997. The matter is progressing stealthily, but the people of Wales deserve a referendum on such a major constitutional issue. I shall cite an example. It is proposed that the Assembly should have, through its Standing Orders, control of the Committee system. Section 61 of the Government of Wales Act provides specifically for a North Wales Regional Committee. The reason for that provision was that it was recognised that there was significant concern among the people of north Wales that they might be disadvantaged as a result of the devolution process and that they could, in effect, be dominated by south Wales. Under the proposals in the White Paper, the North Wales Regional Committee could disappear. As a Member who represents a north Wales constituency, I regard that proposal as extremely disturbing. It is a major constitutional development on which the people of Wales have the right to express an opinion.

Mr. Roger Williams: Just so that I understand the hon. Gentleman's position, will he say whether the leader of the Conservative party in the Assembly and his fellow Conservative Members support a referendum that includes an option to abolish the Assembly?

Mr. Jones: I have no idea what the leader of the Conservative party in the Assembly would say about such matters. I do not have a telephone link to him. If the hon. Gentleman gives me a little time, I shall contact him.

Lembit Öpik: Does the hon. Gentleman know the position of the Conservative Members of the Assembly on the referendum? Do they support a referendum in which one option is to close the Assembly?

Mr. Jones: That is Conservative policy and that is a policy to which the Assembly Members are signed up.

I turn now to regional list Members. Like many members of the Committee, including the hon. Member for Blaenau Gwent (Peter Law), I have an instinctive dislike of the proportional representation system, because it removes the link between the constituent and his elected representative. In such a system, the representative owes his primary duty to his party, not to his constituency. The Secretary of State referred to the Clwyd, West question. What happened in Clwyd, West was wholly foreseeable at the time that the Government of Wales Act was enacted. Clearly, one or more unsuccessful candidates for a constituency would be likely to get into the Assembly on the basis of the regional list. Clwyd, West was an extreme example, but it is the consequence of what was settled in 1998.

It is a totally spurious argument to suggest that voters are so unsophisticated that they cannot understand that some of those on the list might get into the Assembly through the list system, even though they are also standing on the first-past-the-post basis,. Clearly,



they might. At least the present system means that the individual candidate puts himself up for election in a constituency where he has the prospect of owing a duty to its constituents. That is an important element and if we have to have a proportional representation system, it has that particular virtue at least.

As for there being confusion as to who is doing what, how will changing the system to one where one candidate can stand only in the list and the other on a first-past-the-post basis make any difference? It is perfectly open to a list candidate to set up his or her office immediately next door to the first-past-the-post elected representative. I know that this is difficult for the Assembly Member for Clwyd, West, but I also know that he is a big boy and he can live with it.

Those are the aspects of the White Paper that concern me gravely, and I have no doubt that Members of my party will be exploring them in much greater depth once the Bill becomes available.

Ian Lucas: It is a pleasure to see you in the Chair this afternoon, Mr. Caton. I, too, would like to pay tribute to my right hon. Friend the Member for Torfaen, who spoke very eloquently and with great wisdom about the devolution process and the White Paper. When I listen to the Opposition in Wales describe the country in which I live, I sometimes wonder whether I am dreaming. It seems to me that there is a constant wish to decry the communities that we represent to try to contradict the reality that Wales is in a real period of prosperity and we are making real progress. Real progress has been made since 1997 under a devolved system and the untold success story of the National Assembly has been the performance of the Welsh economy. I speak as a Member who represents a town in north-east Wales that now has less than 2 per cent. unemployment. The hon. Member for Leominster may be too young to remember this, but in 1983 Wrexham had unemployment rates of more than 20 per cent. The local economy has been transformed under the Labour Government since 1997.

David T.C. Davies: Does the hon. Gentleman know what the statistics at the relevant time were for incapacity benefit?

Ian Lucas: I do know what they are, but I am not going to trade statistics; I am going to describe the community and the people that I represent. Those people decided that they were going to vote in fewer numbers for the Conservative party in the election than they did in 2001; the Conservative party had less to say to the people that I represent. I represent a successful town at present, and I am pleased to see that some of the issues that I encountered on the doorstep have been addressed in the Queen's Speech. Some of those issues have not been referred to at all this afternoon. One of them, for example, is a Bill concerning immigration and migrant workers. Wrexham, because of its successful economy has had a novel issue to deal with during the last 12 months. Migrant workers have come to the UK to work because there is a labour shortage in the local economy. I am not aware that Wrexham has, historically, ever had to deal with that issue before. It is not an easy issue for a community such as Wrexham because we have not had large-scale immigration before. It is very new. However, the local authority is trying to deal with it by, for example, employing someone to engage with the Polish and the Portuguese communities that are developing in Wrexham. It is an important issue. We are all aware that some two years ago there were difficulties in Wrexham in the Caia parc area, which led to some misrepresentation of what was happening there. As a result of that, there is still some interest in the way in which Wrexham is developing and the way in which the town is dealing with those difficult issues as we go forward. It is important that Wrexham has a managed system of immigration that recognises the needs of the local economy.



The strong industries of Wrexham need workers, but we must recognise the concerns and demands that such challenges bring. For example, 20 per cent. of the intake of one of my local primary schools that I visited recently comprises pupils with English as an additional language. That is not just one pupil needing English as an additional language. They are from different parts of the world, literally: from the Philippines, from Poland, from Portugal, as I mentioned, and from the Czech Republic. They are big issues that we must address in a civilised, sensible and considered way. I welcome the fact that the Government are approaching that, and I look forward to the publication of the Bill on immigration, which I think is being brought forward next week.

I am, of course, very conscious, of the demand, particularly from nationalist Members, for a re-assessment of the Barnett formula. The enduring refrain that we hear is that Wales is being sold short by this Labour Government. I have with me a copy of "A Budget for the Future of Wales", which is the Welsh Assembly's Budget for the next two years. The document states that in 1999, the Assembly Budget was £7 billion per annum. By 2007–08, the Budget will grow to £14.3 billion under a Labour Government within a successful economy. If that is not delivering public investment for communities, I do not know what is.

Lembit Öpik: Does the hon. Gentleman accept that the problem is that the formula is so random and so outdated that even its inventor thinks that the formula should be replaced by a needs-based formula?

Ian Lucas: Any replacement for the Barnett formula would lead to an opaque formula, over which we would have constant arguments, which I can envisage taking place in this Committee. [Interruption.] The hon. Gentleman asks why. When I have discussions with my local authority concerning the way in which it allocates budgets within its area, I have interminable difficulty in understanding the basis on which the assessments are made, the manner in which the calculations are worked out, and the different criteria that are applied. What is important for my constituents is the fact that we have had substantial public investment in the Assembly and in the delivery of public services.

Lembit Öpik: So the hon. Gentleman is saying that Lord Barnett, who invented the Barnett formula, is wrong about the Barnett formula, and that he is right?

Ian Lucas: That is absolutely correct. Those who know me know that I try to give straight answers to straight questions: sometimes I get into trouble for it. So we have substantial public investment in Wales and a document on better governance for Wales.

Bill Wiggin: The hon. Gentleman's comments remind me that the objective 1 funding is based on needs relative to the rest of the European Union. He has talked about substantial spending and investment in Wales. Does he not think it is a shame that Wales still qualifies for objective 1 funding, and is actually going backwards with more of Wales qualifying because we still are not getting above that 75 per cent. of the EU average? Perhaps we could see more of that substantial investment he talked about—proper investment rather than spending.

Ian Lucas: Development and building a strong economy takes time. The Conservative Government were in power for 18 years, during which time they failed to put foundations in place and destroyed communities such as Wrexham, and it takes time to turn such a situation around.

We have heard about substantial public investment in Wales, and that is a reality. I welcome the White Paper. It is a very interesting document indeed, and I agree with much



of it. It is called "Better Governance for Wales" but it is very limited in its content. It is quite a short document, but it almost exclusively talks about the relationship between Westminster and Cardiff, or the Assembly and the UK Parliament. It is now 10 years since we had local government reform in Wales with the introduction of the unitary authorities, and I am not convinced that the current structure of local government within Wales is the best structure within which to deliver the public investment that we still need in our communities. Twenty-two small local authorities in Wales may not be the best vehicle for delivering the investment that the Labour Government are supplying.

Mr. David Jones: On that basis, would the hon. Gentleman agree with me that it was a retrograde measure to introduce 22 local health boards?

Ian Lucas: I voted for that, so I could not possibly agree with the hon. Gentleman. The introduction of the 22 local authorities was pre-devolution.

David T.C. Davies: Surely the hon. Gentleman is mistaken. It was the Welsh Assembly that decided to get rid of the five health authorities and replace them with 22 local health boards, which were coterminous with the local authority areas.

Ian Lucas: If the hon. Gentleman would listen closely to what I am saying, I am talking about the local authorities within Wales, which were introduced under the Conservative Government before the 1997 Labour Government was elected.

I have not made any final decision on this, but this is an opportune period, 10 years from the passage of that legislation when unitary authorities were introduced, to look at whether they are the best way of delivering public services in the context of a devolved system.

There is much that I welcome in the White Paper. I was interested in what the hon. Member for Clwyd, West had to say about scrutiny in the Assembly. I was asking him a straight question; there was no trick to it. I was genuinely interested in hearing his views on the issue. One of the concerns that I have about the separation of the corporate structure in the Assembly—the creation of an Executive and a group of Back Benchers—is that the Back Benchers may not themselves have sufficient capacity to hold the Executive to account.

I venture a suggestion that may assist in dealing with that issue. Members of Parliament in Wales have a vital and much-understated role in legislation in Wales. We must maintain their role. One of the most exciting innovations of the last Parliament, which is much undervalued, was the creation of Joint Committees of Assembly Members and Members of Parliament to scrutinise legislation. My hon. Friend the Member for Clwyd, South (Mr. Jones), a good friend of mine, was instrumental in taking that forward. I raised with the Secretary of State the future of Joint Committees in the Chamber last week and was a little uncertain about his response. I would be concerned if there were to be an end to joint working between the Assembly and Members of Parliament and I should like some reassurance, as the consideration goes forward, that that will continue. Those constituents who come to see me regard me as integral in the delivery of public services in Wales. Even though health and education are devolved, if people see me about a particular issue they hold me responsible. I always try to deal with such matters and the issues they raise. The type of joint working that we have begun to develop could be developed further. I disagree slightly with my right hon. Friend the Member for Torfaen. The general public—at least the constituents I talk to—have not grasped that health and education are devolved and are less intimately linked to my work than they might have been before the Assembly was introduced.



It is important that we continue with the joint working and that the Committees continue. That would be a recognition of an integrated system of Government, which I believe in strongly. England and Wales—certainly in my part of Wales—are very closely linked. Many of the public services in my area are delivered from England. It is important that Members of Parliament, who see at Westminster how the services are being delivered in England, have a close link to how the Assembly develops policy in Wales. There are real dangers with trying to disentangle an integrated system: we may have seen some of those this week in the Assembly on higher education.

It is important that we both keep working together. I would also welcome the opportunity for Back-Bench Members of Parliament from Westminster to meet more regularly with Back-Bench Assembly Members. The two Executives have been strikingly successful in working together over the past few years, but I do not think that there are as many examples of Back-Bench Members working together and I would like to see more of that. There are three aspects to the new Government of Wales Bill. First, there is the corporate status to which we were alerted earlier. I never understood why corporate identity was introduced as it was. Perhaps one day my hon. Friend the Member for Cardiff, West (Kevin Brennan) will be able to explain it to me. I welcome the fact that the Executive, Back Benchers and the scrutiny aspects are to be separated. That is how the Assembly is trying to function at present and it is sensible that it should go forward in that way. Some of my hon. Friends have said that the list proposals have been raised with them by their constituents, but that matter has not been raised by mine. Instances of regional list Members setting up shop next to constituency Members with the particular intention of using that position to contest the constituency seat at the next election are not to be welcomed. The advantage of the separation that has been suggested is that list Members would have to make the choice when the next election came round whether to take a risk and stand in a particular seat against their next door neighbour if they had set up an office in that seat. They would have to take a risk and decide whether to trust the people and the ballot box on a one-to-one basis. That change would be introduced by the amendment that the Government propose, which I would welcome and support.

David T.C. Davies: The hon. Gentleman has just made a revealing comment. We all know that despite the fact that he has talked a lot about regionally elected Assembly Members setting up shop next door to constituency ones, that would still continue under the proposed changes. What seems to be upsetting him is the fact that those regionally elected Assembly Members might then use their position to fight a first-past-the-post seat. He is afraid of democracy and I am grateful to him for clarifying that.

Ian Lucas: I am not afraid of democracy at all. I made it perfectly clear that I trust it and I trust the people. I want them to have the decision. I speak as someone who has gone through an election and my job was on the line in the same way that everyone else's was. I resent the system that allows people to stand with the certainty of being elected. That is what happened in Clwyd West.

Bill Wiggin: The hon. Gentleman is almost on the point, but he keeps missing it. Those people will continue to set up shop. There is nothing stopping list Members continuing to be list Members. They have a mandate to be that because they were so elected, in the same way as we all stand for the seats we have stood for again and again. As for the certainty of being elected, that will be an individual choice. If he comes back to the point that was originally made, that he does not agree that people who are defeated can still go on to be elected, he is on much safer ground. He does not seem to be making that point and I wonder why not.



Ian Lucas: I am grateful for that exposition of what I do not believe to be my position. I support the thrust of the Government's proposals as far as the list Members and the directly-elected Members are concerned. I want reassurance that there will be a continued recognition by both the Government at Westminster and the Welsh Assembly Government that we have a closely integrated political system. It is vital that that continues.

I hear no support in my constituency for an isolationist policy of giving primary legislative powers to the Assembly. I find the nationalists' position extraordinary. They constantly quote a single BBC opinion poll from some time ago about primary legislative powers. I ask them to consider their result in the general election. For as long as they are deceiving themselves about what the people of Wales want, they will stay in the wilderness. In my constituency the nationalist vote fell, as it did in many other constituencies. It is important that we reflect the position on the ground for our constituents.

My right hon. Friend the Member for Torfaen said that what was important to the people of Wales was the delivery of public services and a strong economy. I agree with that. We have a strong economy and improving public services in Wales. That is on the basis of the investment that is going in from the Government at Westminster—long may that continue. We need to devise a better way of working between the Assembly and the UK Government. The White Paper provides that framework. Improvement is needed, and I will be putting my views on the matter.

Mr. David Jones: I note that the hon. Gentleman says that the White Paper does need to be improved. Does he agree that it envisages a significant increase in the number of competences that must be transferred to the Assembly through the Orders in Council? That is a very different animal from what was voted on in 1997. Does he therefore agree that these proposals should be the subject of a referendum?

Ian Lucas: I do not agree. The basic structure put in place by the Government of Wales Act remains in place. Powers have been devolved. I am more relaxed than Members believe about the devolution of further powers, provided that I am satisfied that they will be for the benefit of my constituents. I am comfortable with the framework, but I do not like the Order in Council suggestion. I want the opportunity to amend proposals when we discuss them. We do need more detailed consideration of the proposed legislation, but the framework is right, the thrust is right, and subject to my views developing as I discuss these matters with colleagues, I envisage a Bill being produced from this that I would support.

Mark Williams (Ceredigion) (LD): This has been an enlightening afternoon, and a long one for those of us who are not used to these proceedings. I am now well versed in the political definition of "frenzy", and in the very liberal use of the word "resounding", which my hon. Friend the Member for Montgomeryshire used to describe my majority of 219. There is certainly much food for thought, and a lot of hard work.

I welcome this opportunity to revisit many of the issues discussed on Ceredigion's doorsteps. We talked a great deal about constituency needs in discussions on the White Paper, "Better Governance for Wales", so my remarks are largely a response to some of the messages and the extent to which the Queen's Speech responds to many of those concerns. Sadly, it will become apparent to hon. Members as I speak that many of those anxieties have not been dealt with. For those of us in rural Wales, the Queen's Speech was notable for many of its omissions.



Let me begin by welcoming the cross-party agreement in the National Assembly to provide support for Wales-domiciled students, which should, at least in part, help to alleviate the brain drain that has affected many colleges. The right hon. Member for Torfaen mentioned the fact that 40 per cent. of students had moved out of Wales. The agreement to provide support gives us the opportunity to address some of the issues of hardship that were raised during the election. I have talked to the vice-chancellors of the University of Wales at Aberystwyth and Lampeter, and know that the very fact that the decision has been taken will alleviate some of their concerns about the effect of hardship on applications for admission later this year. The decision is a response to the very principled stand taken by three Opposition parties on the issue.

Turning to other issues, it would be churlish not to welcome the long-overdue increase in health funding for Aberystwyth and the new accident and emergency department that is being developed there, as well as the very overdue building of the new hospital in Cardigan and the health centre in Aberaeron, which was first pledged in 1999.

A major omission, however, is dentistry, which in rural areas remains a great concern. It is simply unacceptable that people have to cross the borders of large rural constituencies in Wales to get basic dental health care. It is no surprise that the figures for the past 10 years show that there are now 250,000 fewer people on dentists' waiting lists.

Mr. Roger Williams: My hon. Friend might be interested to know that when I go to Crickhowell to see my dentist 15 miles down the road, I meet people from Aberystwyth who have to travel more than 50 miles to get an NHS dentist.

Mark Williams: My hon. Friend is right. There is a catalogue of cases that are far worse than that. Some constituents in Aberystwyth have to travel to Wolverhampton and Telford. I commend some of the efforts of our local health board in Ceredigion, which has initiated an innovative bursary scheme that was pioneered in Gwynedd. It sponsors three students to the tune of £2,000 a year on the explicit understanding that they will return to Ceredigion and practise dentistry for at least five years. It is worth noting that that was managed within existing health board budgets and without additional financial support. I loathe to be depressing, but I must report the pervading feeling in rural Wales that it is missing out on the adequate provision of many local services. That was why my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) promoted the Local Services and Facilities Bill. I hope that we can return to that later this Session. It remains essential that there is a full assessment of the implications of the closure of rural services, whether they are post offices, village schools, a magistrates court in the case of Lampeter or a benefits office in the case of Aberystwyth. Some longer term analysis of changes in demography needs to be done before decisions are made. There are many examples of facilities closing but few of village schools, for example, reopening.

That brings me to perhaps the most significant issue affecting Ceredigion and rural Wales in general: the consensus that existed among all four parties on affordable housing, which was another omission from the Queen's speech. With average house prices in Ceredigion of £157,000—almost £20,000 above the Welsh average—and average yearly earnings of only £16,500, finding affordable local housing to rent or buy is simply not an option. As I mentioned in my maiden speech, there is an accordant emigration of young local people and an effect on the Welsh language as well. The Chancellor's raising of the stamp duty threshold to £120,000 was a welcome step, as have been some of his more recent announcements. However, the jump in threshold was manifestly not big enough for Ceredigion and elsewhere in Wales.



Discussions with local police have revolved around manpower, which is one reason why the Liberal Democrats remain opposed to the Government's plan for identity cards, as my hon. Friend the Member for Montgomeryshire said and as has been endorsed by the National Assembly. We believe that savings from the scheme would be far better spent on police officers on the street. Even if it is a Wales-wide problem—which I believe it is—it is more evident in rural areas such as ours.

There are welcome initiatives. The joint Powys-Dyfed constabulary scheme with the post office, piloted across Powys and Ceredigion and involving two sub-post offices in my constituency, enables local people to report minor crimes with a hotline to Carmarthen. Laudable though those schemes are, they are no compensation for officers on the beat, and our plans at the last election would have amounted to an extra 500 police officers on the beat throughout Wales.

The inclusion of a Bill to establish a commissioner for older people in Wales recognises the change in dynamics of Welsh society, but there are serious questions about the scope of the commissioner's remit in non-devolved matters. I appreciate that it is a pioneering initiative like the Children's Commissioner for Wales, but if the new commissioner is to be a champion of older people's rights, as most of us would wish, he or she will need to respond to pensioners' biggest concerns, which my postbag shows to be pensions and benefits. There is also concern about how the new commissioner will complement the role of the recently merged ombudsman, which was heralded as a one-stop shop.

I want finally to make a plea on behalf of west Wales about our objective 1 status. Since objective 1 status was granted, Ceredigion has benefited to the tune of £22 million, while some 1,600 jobs have been protected or created. The delays to the decisions on European Union funding could have practical implications for some of the proposed schemes in Ceredigion. Last week, I met representatives of the Cei Dev scheme in New Quay, and I was greatly impressed by their extensive plans for a new tourism development to promote employment and new opportunities in an area that is in desperate need of economic regeneration.

Such schemes must be given the opportunity to continue. The Prime Minister has implied that there is nothing to worry about, but there is deep anxiety as to whether the Assembly will provide match funding for 2007 to 2013 and, more specifically, about the implications of a delayed budget decision. Whether or not we cross it as west Wales and the valleys, the qualifying 75 per cent. of GDP threshold is critical, but it should be pointed out that within the region, Ceredigion languishes, at 68 per cent., I believe. The need is therefore manifest.

David T.C. Davies: Thank you for calling me to speak, Mr. Caton. Having spent six years or so in the Welsh Assembly, may I say how much more I appreciate the robustness of the debates here, and some of the formalities? I hope you will forgive me, Mr. Caton, if I have used the word "you" occasionally. I have not yet made the mistake of slipping into being on first-name terms, which is commonplace in the Assembly. I also appreciate the occasional bouts of levity here. All in all it is a much more enjoyable experience than I have had in Cardiff Bay.

The White Paper, "Better Governance for Wales", is long overdue. I think that all my colleagues are fully agreed on the first part of the paper, which deals with the separation of the powers of the Executive. Apart from anything else, we do not want to be tarred with the decisions that are sometimes taken in our names by the Executive, or the Welsh Assembly Government, depending on what they want to call themselves. I would be



grateful for any measures that will reassure the public that it is not the Welsh Assembly as a corporate body that is taking decisions in their names, but the Members of the ruling group of the Labour party. They should take responsibility for those decisions at the next Assembly election.

We have spent a lot of time discussing the changes to the electoral system. The hon. Member for Montgomeryshire will probably have noticed that a consensus seems to be building that the proportional representation system in the Welsh Assembly does not work particularly well and is not particularly fair. I could not agree more. One reason that I opposed the Welsh Assembly in the first place was because I do not like the PR system; I think that Members who cannot get out there and win an election in the ballot box should not be sitting in the Assembly or any other institution.

Lembit Öpik rose—

David T.C. Davies: I know what is coming, but I will happily give way to the hon. Gentleman.

Lembit Öpik: Does the hon. Gentleman apply that reasoning to his colleagues?

David T.C. Davies: Absolutely. I think that they all disapprove of the PR system, but, unlike the hon. Gentleman, we accept that where a system is set up, we must play by the rules even if we do not agree with it. Presumably, the hon. Gentleman is a huge supporter of the PR system, yet he is happy to stand here elected through the first-past-the-post system. No one ever asks him or his colleagues why they are participating in an election that is conducted under a system of rules with which they do not agree, and why should they when those are the rules? He may not like the first-past-the-post rules, as I do not like the PR rules, but we all have to abide by the rules in place.

Labour Members have talked a lot about not liking it when someone from a different party sets up shop next to them, as it makes it harder for them to win the next election if a regional Member happens to stand for a constituency seat, but that is democracy. It is hard for a candidate in a general election who is not a Member of Parliament to defeat an incumbent. I should think that, even in a Welsh Assembly election, it is probably much harder to face someone who has been elected through the regional list, but if we believe in democracy, we have to be prepared to get out there and fight, put forward our views and hope that people will trust us.

The rules have changed because it will be to the disbenefit of all the other Opposition parties. There are no two ways about it. If Labour Members were against proportional representation, they would simply scrap it, and quite a few Conservatives would support them in doing so, even though it would be disadvantageous to our party. We cannot be more principled than that; we would fight for a system that would disbenefit us in the Welsh Assembly. That is a far more principled point of view than that taken by so many Liberal Democrat Members, who will do anything to change the system to get themselves more seats in any legislative body.

Mr. Roger Williams: I find it difficult to follow the hon. Gentleman's point of view, because the proposals would not disadvantage his party, although they might disadvantage individuals in it.

David T.C. Davies: It could be said that our party might have been disadvantaged had a first-past-the-post system been used in the previous Welsh Assembly election, because we would not have won as many seats. By the time the next Assembly election comes



round, however, we will win those seats, and I fully expect us to do so by first past the post. Any change will therefore make no difference to us whatever.

The other main aspect of the White Paper concerns further powers for the Welsh Assembly. Given the Assembly's record in the policy areas in which it has powers now, I am very concerned indeed about giving it any more powers to do a worse job than it already has done. In fact, I am totally opposed to doing so.

We have heard a lot from Labour Members about their three strongest points being the economy, the health service and education. However, when one considers the economy and the effect of the current levels of council tax on people's ability to enjoy a good standard of living, one sees that the situation is atrocious.

What is worse is the fact that the Welsh Minister for Finance, Local Government and Public Services has repeatedly tried to tell people that the levels of council tax have nothing to do with the Welsh Assembly, but are down to the local authorities. Anyone with even the slightest knowledge of how local government is funded knows that that is a fallacy. Council tax is a reflection of the amount of money that local authorities receive from the Welsh Assembly. Most local authorities in Wales receive about 80-plus per cent. of their money from the Welsh Assembly and not from council tax at all. Council tax simply tops up their money. If the Welsh Assembly takes a decision, as it did in 2000, to change the formula used to allocate how much money goes to each local authority, of course that will have a huge impact on the council tax that people pay.

In my constituency, council tax has risen by around 130 per cent. since the Welsh Assembly was established. However, the formula is not the only thing that is grossly unfair to rural areas. What the Labour party has done is complex and clever: the formula has been changed, so that instead of using, for instance, the average wage to calculate poverty, it considers how many benefits people receive. The upshot is that large numbers of people in rural areas who work for the minimum wage in tourism or agriculture—and who perhaps earn no more than someone on benefits—are not counted as deprived at all. The change has of course benefited certain areas at the expense of others. I have to say—and I do not think that this is a coincidence—that most of the areas that have done well under the new formula have been Labour local authority areas.

Ian Lucas: Is it not correct that Monmouthshire received a 7 per cent. increase, whereas Wrexham received a 2.1 per cent. increase?

David T.C. Davies: Yes, and let me explain why that came about. [Interruption.] Well, we all know why: the Welsh Minister for Finance, Local Government and Public Services knew full well that what little bit extra she was giving to Monmouthshire in that year she was going to get back tenfold because of the rebanding, which hit Monmouthshire harder than any other local authority area in Wales.

The hon. Gentleman likes to trade statistics, so let me give him a statistic. If Monmouthshire county council had continued to receive the same share of local government funding as before the formula was changed in 2000, it would be £20 million better off than it is now. That is how much the formula change has cost us. Some £20 million has been siphoned off from the people of Monmouthshire and sent to Labour-run local authorities. I need no lessons from the hon. Gentleman about statistics.

Ian Lucas: The hon. Gentleman needs one lesson, because the council tax of 53 per cent. of households in Wrexham rose on rebanding—more than in Monmouthshire.



David T.C. Davies: I wonder, if the hon. Gentleman wants to continue down the statistical route, how many rose by one band and how many by up to three bands. In many parts of my constituency, people's properties have gone up two or even three bands. However, I am not just going to talk statistics with the hon. Gentleman; I am going to remind him of the impact on people's lives when they discover overnight that their council tax has jumped by 25 per cent. He ought to be well aware of that, if so many of his constituents have complained. He will also know that that has come about because the Welsh Assembly has imposed all sorts of extra obligations on local authorities, such as the teachers workload agreement—a recent example—which it has not properly funded. His colleagues in the Welsh Assembly are responsible for a change in formula that has affected his constituents and for overloading his local authority with obligations that are not properly funded. [Interruption.] I am happy to take an intervention.

The Chairman: Order. Can we stop the comments from a sedentary position? If the hon. Gentleman could bring his remarks round to the subject of the Queen's Speech, that would also be useful.

David T.C. Davies: I would be delighted to start talking about some of the other matters mentioned in the Queen's Speech, but you will appreciate, Mr. Caton, that the Queen's Speech is about giving further powers to the Welsh Assembly. I would not want to see the Welsh Assembly getting too many more powers to do further damage, over and above what has already been done.

In the time I have left, I will briefly mention the health service and education. Education was going to be one of the top priorities for the Welsh Assembly. We have seen that numerous small schools have been shut down—four or five have already been closed in my constituency, because the Welsh Assembly Education Minister will not allow small schools to remain open once a local authority has put forward an application for closure. I must mention the health service at this stage. Any Labour Member who thinks that the NHS is the envy of the world is, quite frankly, not living in the real world. If Nye Bevan could see what they have done to the NHS in Wales, he would probably be spinning in his grave. I would like to know how they can explain the fact that waiting lists have gone up to a level three times what they are just across the border in England. That is the result of the Welsh Assembly not being prepared to take the measures that, in fairness, their colleagues in Westminster are prepared to take, which is to start using the private sector a bit more intelligently to get waiting lists down.

I must also mention accident and emergency times, particularly at the Royal Gwent hospital, which are atrocious at the moment. I had two people ringing me within the space of 10 minutes yesterday to complain that they were waiting for up to six hours. One was a lady in her 80s who waited six hours to get emergency treatment. That is a disgrace. That anyone can consider giving further powers to the Welsh Assembly is quite frightening. I say that, unless the Welsh Assembly can get its act together, we ought to consider taking powers away. It simply cannot do the job properly. There comes a point when it is no longer acceptable for our constituents to suffer in the way that they have, simply because they have the misfortune to be governed by an Assembly that cannot get itself sorted out.

Lembit Öpik: To complete my analysis of the hon. Gentleman's position, can I confirm with him that he is in one voice with the shadow Secretary of State for Wales, who appears to want to abolish the Assembly altogether?



David T.C. Davies: The shadow Secretary of State is a democrat, because he wishes to hold a referendum and allow the people to decide what they want to do with the Welsh Assembly. I believe in democracy and would be happy to see that referendum take place. We came here today to talk about Wales. Under the administration of the Labour party in the Welsh Assembly and in Government, we have seen council taxes go up, waiting lists go up, accident and emergency times go up and incapacity benefit claims go up. The only reductions have been in the number of schools in Wales and in the percentage of GDP in Wales as compared with England.

Hywel Williams (Caernarfon) (PC): May I, too, begin by congratulating you, Mr. Caton, on taking the Chair. I am sure that we all look forward to many more meetings under your wise chairmanship.

We have had a good and interesting debate, with a large number of speakers. In fact, we have had 13 speakers, which I hope does not bode ill for us. We started with the Secretary of State, who outlined the substantial programme of legislation that is before us. Many of the Bills have a Welsh interest and some are specifically for Wales. He referred to the commissioner for older people, as did many hon. Members, also to the draft Tourism Accommodation (Wales) Bill and to transport. Quite reasonably and properly, many of his remarks were confined to the "Better Governance for Wales" document. Interestingly, in response to a point raised by my hon. Friend the Member for Meirionnydd Nant Conwy, he confirmed that primary legislative powers would be outlined in the Bill. That is a significant point.

The Secretary of State also discussed the list system, which was mentioned by all hon. Members who have spoken. There are clearly many questions to be answered. The right hon. Gentleman said that hon. Members were excited; he also said that people were in a frenzy and a lather, possibly because some hon. Members smelt a rat. We shall see when we discuss the Bill. The right hon. Gentleman said that he was firmly in support of the proposals for the referendum, the two-thirds majority and, significantly, the veto by the House of Commons and the House of Lords—points that were also raised later by hon. Members.

There was a wide-ranging contribution from the Liberal Democrat spokesman, the hon. Member for Montgomeryshire. Given that we have already discussed the Transport (Wales) Bill, I was interested in the fact that he referred to it, specifically to its aviation elements which, as hon. Members know, is a particular interest of his. I was slightly surprised that he did not mention other modes of transport, given the problems of north-south transport in Wales—the roads and the railway system. He confined himself to flying. Hon. Members will remember that he proclaimed that he was going to give Mr. Andrew Davies a shock next week when they went flying. We look forward to seeing how that shock will be delivered. The hon. Gentleman also referred to a needs-based formula in place of the Barnett formula, which shows the commonality in the Chamber on the matter. I hope that it will be one of the main features of the debate.

Mr. Roger Williams: How will the hon. Gentleman sort out the Barnett formula with the other members of his nationalist group? It is very advantageous to Scotland.

Hywel Williams: I represent Plaid Cymru, and our line is clear. I look forward to debating the matter with the hon. Gentleman and his hon. Friends in the next few months. The hon. Gentleman referred to the needs-based formula, which is something that we agree with and look forward to discussing. He also said that he was looking forward to holding the Government to account. I am sure that we will have many opportunities to do

so in the next few months in long debates. I am sure that he will be in his place throughout, putting his points in his characteristic way.

I, too, welcome the right hon. Member for Torfaen on his return to the Committee. He talked on the basis of his long experience in Government and as a Member of this place. We had the benefit of his wide perspective on Welsh matters, which I found extremely interesting. I look forward to further contributions from the right hon. Gentleman in the future. Given his views on devolution in the past, he generously recognised the qualified success of the National Assembly. He said that its stature had grown and praised its accessibility. My hon. Friend the Member for Meirionnydd Nant Conwy and I agree with him on that.

I note that the right hon. Member for Torfaen agreed with the White Paper. He had reservations about the students' fee agreements in Cardiff, which is a hot issue there. I am very glad that it has been settled, but further debate might be in order later. He also had reservations about the system of Orders in Council and noted, interestingly, that a one-and-a-half-hour debate would probably not be enough to satisfy hon. Members in the Chamber or in another place. We will discuss the matter in the future.

My hon. Friend the Member for Meirionnydd Nant Conwy also mentioned his concerns about the Orders in Council. Taking a slightly different tack, he was concerned about the House of Lords veto on the democratically taken decisions of Welsh representatives. He was concerned that the Parliament Act might be used more often, and that we should not be setting up a system that would lead to the imposition of that particular sanction. He also noted the concerns of Labour Members about the electoral arrangements, and that was a feature later in the debate.

There is a question about Members of the Assembly standing for the list and for individual constituencies, and we heard an interesting and robust contribution from the hon. Member for Monmouth about the issue. I was glad to hear that he is in favour of competition, although unfortunately in his seat I do not think that my party is in a position to provide it. However, his commitment to democratic competition is welcome. My hon. Friend the Member for Meirionnydd Nant Conwy also referred to Barnett, and he then made some significant points about climate change.

The hon. Member for Ynys Môn (Albert Owen), who had to leave early, welcomed the White Paper, and he then raised a number of questions about the marine Bill. That is an area in which he clearly has personal knowledge and expertise, and a constituency interest. Given the marine nature of his contribution, he perhaps piratically shot across the Government's bow by saying that he would not support them on ID cards. We will see how that turns out. He will probably be joining a large number of Members who will not be going through the Lobby with the Government when the Bill comes before the House.

The hon. Member for Leominster spoke of his reservations about the White Paper, about pensions and about services for older people. He also discussed the referendum, and, interestingly and significantly, agreed with the Secretary of State.

Bill Wiggin: Only briefly.

Hywel Williams: Briefly, but there was a certain measure of agreement. The hon. Gentleman also raised serious concerns about manufacturing industry, which concerns us all.



The hon. Member for Clwyd, South welcomed the Commissioner for Older People (Wales) Bill. He and I are members of the Welsh Affairs Committee, and we have analysed the establishment of a children's commissioner in England and the effects across the border. One Liberal Democrat Member made the point that we have clearly learned a great deal from the establishment of the children's commissioners, their powers and the limitations thereof. We look forward to a good debate on the matter, especially about powers over non-devolved issues. He also spoke of his concerns about the tourism (Bill, arising from the nature of his constituency, and about a Government of Wales (Amendment) Bill, as did other hon. Members.

In this debate on the Government's legislative programme, the hon. Member for Cardiff, Central took a novel approach by discussing what was not in the Queen's Speech. It was a slightly different tack from that taken by other hon. Members. She spoke about the council tax, top-up fees, the health service and personal care, which are all important issues. Some of them are more a matter for the National Assembly, but I am sure that she will have contributions to make about those points in the future.

The hon. Member for Swansea, East (Mrs. James) discussed the confusion surrounding regional lists, and she was clearly not happy with the arrangements. The hon. Member for Clwyd, West had concerns about the tourism (Wales) Bill, which is clearly again a significant constituency issue for himself, other hon. Members and myself. He was concerned about the possible growth in red tape and the effects on small business. That concern is shared by all sides of the House. We shall see how the Bill is implemented and whether it has such a regulatory impact. He also responded interestingly to an intervention about the National Assembly, and he increased our understanding about the variety of views about it within the Conservative party. That was further illuminated by other hon. Members, and we will look forward to further elaboration of those views in the future, entertaining as that always is.

The hon. Member for Wrexham made points about the undoubted success of the Wrexham economy. Some hon. Members may not be as sanguine as to infer similar success in all parts of Wales, but he clearly had a strong argument about the undeniably high levels of employment in Wrexham. I was glad to hear the hon. Gentleman make points about migrant workers—a little-regarded issue that has raised itself in constituencies throughout Wales, including mine. We all have concerns about the conditions facing migrant workers and their families and the need for a requirement to provide proper services such as housing, health and education in appropriate languages. I hope that that will be addressed. The hon. Member for Wrexham responded to an intervention about Lord Barnett and his formula, and said that Lord Barnett was right at one point but wrong now. I do not know how inconsistent or consistent Lord Barnett is, but I think that he is right now and was wrong then, but that is a matter of debate. The hon. Gentleman praised the Joint Committees from this place and the National Assembly, and looked to more co-operative working, which must be the right way forward. He also echoed concerns raised about electoral arrangements.

The hon. Member for Ceredigion raised matters of health and dentistry—they are devolved issues, but still important ones—and I am sure that he will continue to exercise ingenuity to introduce those issues in this place even though they are devolved. That is a hard task, as I have found to my cost in the past. He also raised rurality issues regarding post offices and housing and referred to the commissioner for older people and objective 1.

Last, but certainly not least, in a characteristically robust contribution, the hon. Member for Monmouth spoke about the Bill to follow the "Better Governance for Wales" document.



He welcomed the separation between the Government and the National Assembly—a point of confusion for many of our constituents—which was a positive step forward. He also raised concerns about the Bill and went on to discuss the NHS. That was a tall order for a short speech, but he did very well indeed, and I am sure that he will make further contributions along those lines in the future.

Thirteen speakers have taken part in what has been an interesting debate. I speak for many members of the Committee when I congratulate the new Members on their speeches. It is not that long ago that I was making my first speeches, and my knees were shaking slightly more than they are today. I am close enough to that experience to have great sympathy with new Members and I congratulate them on their contributions. We have before us a large programme of legislation with, as the Secretary of State pointed out, a strong Welsh element in many Bills, particularly the better government for Wales Bill. I draw hon. Members' attention not to the contents of the White Paper but to its cover—they say never judge a book by its cover, but look at this one. In the bottom right-hand corner, the National Assembly's debating chamber is necessarily shown in virtual form because it is still being built. I am sure that many members of the Committee, including my hon. Friend the Member for Meirionnydd Nant Conwy, heartily wish for that building to be completed and for the Bill, suitably amended, to pass through this place.

Nick Ainger: May I start by saying how pleased I am to be speaking to the Committee today? It is eight years since I had to take a vow of silence, first as Parliamentary Private Secretary to three Secretaries of State and then as a Government Whip on this Committee. Although I can now speak and debate the issues, sadly you, Mr. Caton, cannot. You can see what it is like—I had eight years of it.

The Government were elected in May for a historic third term. We fought the election on a manifesto rooted in economic success and stability, and in reform and respect. Reform and respect are at the heart of the new Government's programme to move Britain forward through greater reform and mutual respect. At the core of the Queen's Speech is a programme for radical public service renewal. We have hit the ground running with a legislative programme for this Session involving 45 Bills and five draft Bills, which are designed to tackle the people's priorities, to tackle crime and disorder and increase security, to reform public services to deliver further improvements, and to reform welfare to support people into work. Also included are reforms to extend support for working families and reforms to tackle abuses in the asylum and immigration service. All those reforms will benefit the people of Wales. As part of that ambitious legislative programme we face the prospect of four Wales-only Bills and a significant number of other Bills with Welsh provisions.

Mr. Roger Williams: The Minister will be aware that often the Government say that there is not much Wales-only legislation, but there are many Bills that relate to England and Wales. When we scrutinise those Bills, however, there is not a single Welsh Minister in the Standing Committee to answer questions on behalf of Wales and to debate important devolution issues. Will he make a commitment that in future there will be a Welsh Minister on the Standing Committee to answer questions on Welsh issues?

Nick Ainger: The hon. Gentleman suggests that I should serve on Standing Committees considering 45 Bills. I am not that daft. However, it is a serious point. I can assure him that, where there are major issues relating to Wales in UK-wide Bills, I will do my best to ensure that we have proper representation. It does not necessarily have to be a Minister. Back Benchers could also raise points. Our former colleague, Jon Owen Jones, was good at that. I am sure that the hon. Gentleman would agree with that.



Along with the existing powers and those that the Assembly is acquiring under the Railways Act 2005, the Transport (Wales) Bill will provide the Assembly with a comprehensive and coherent set of transport powers for the first time. Its fundamental aim is to enable the Assembly to encourage the development of an integrated transport network in Wales. That important reform should help to deliver significant economic, social and environmental benefits to Wales.

The legislative programme also promises innovative proposals, such as the Commissioner for Older People (Wales) Bill, under which Wales will take the lead in addressing the needs of older people, providing a real focus for that section of society and helping to improve the quality of life for older people. The role of the new commissioner will be the first of its kind in the UK, and possibly in the world. It is a pioneering reform.

We have understandably had a lot of discussion about the White Paper proposals. We were right to focus on that because we are talking about an important measure that will enable a faster, more responsive mechanism to enable Wales to tailor its policies on devolved issues. It will reform and improve devolution in Wales, by reforming the Assembly itself to make sure that it can continue to meet the people's needs in Wales and remain accessible and accountable to them.

That said, England and Wales Bills will continue to be essential in providing primary legislation for Wales and scrutiny of those Bills by Welsh MPs will remain an important feature of our legislative programme.

Bills with specifically Welsh provisions in this Session include the Health Improvement and Protection Bill, which will allow the Assembly to implement a policy to ban smoking in public places. The Charities Bill will introduce a Commissioner for Wales on the Charities Commission, and the Road Safety Bill will give the Assembly the power to fund innovative road safety projects at local authority level, and to build motorway rest areas. The national lottery Bill will allow the Assembly to give directions and set specific priorities for big lottery fund spending in Wales; and the animal welfare Bill, the education and skills Bill and the common land Bill will include powers for the Assembly where it has devolved responsibility.

Even when the Assembly has enhanced powers, there are always likely to be Welsh-specific clauses in UK Bills. Welsh MPs will have a continuing role in ensuring that Welsh interests are represented when scrutinising the many other Bills in this and future legislative programmes that, although they may not have Welsh-specific clauses, will most certainly have a direct impact on the lives and livelihoods of the people of Wales. A number of colleagues cannot be with us today because they are serving on Standing Committees. In the current programme, the Consumer Credit Bill, the Regulation of Financial Services (Land Transactions) Bill, the work and families Bill and the childcare and parental rights Bill are all UK-wide and deal with non-devolved matters. Nevertheless, they impact strongly on the lives of people in Wales, just as they do everywhere else in the UK.

I turn now to the points raised in the debate. The hon. Member for Caernarfon (Hywel Williams) counted 13 speakers, and that did not include interventions. The hon. Member for Montgomeryshire made a wide-ranging speech. It was not all directly related to the Queen's Speech, but we have come to accept the generosity of the Chairman in our debates. I need to correct some of the points that he made.



The hon. Gentleman spoke about regional differentials in earnings and unemployment. Wales is making ground. The figures that I have show a 6 per cent. rise in gross value added. They also show that Wales is the second fastest growing area in the UK compared with 2003, with earnings having increased at a higher rate than in England—Wales is up by 5.4 per cent. and England was up by 4.1 per cent.

The hon. Gentleman also said that unemployment was worse, but the latest figures show that Wales has an unemployment rate of 4.4 per cent. and England has a rate of 4.6 per cent. I put those figures on the record, because the hon. Gentleman said that we were not making the progress that is clearly being made.

Lembit Öpik: We cannot go into the figures now, but I shall certainly check mine, and I will be the first to accept the Minister's should he be right. We do not have time to check our sources now, but it is not my intent to mislead the Committee or the public. We can have that discussion afterwards.

Nick Ainger: I am grateful to the hon. Gentleman. He also spoke about the council tax. Perhaps he should have a chat with his colleagues the former Members for Winchester and Guildford, both of whom are on record as saying that they felt that they lost their seats in the general election because of the Liberal Democrats' policies on council tax. [Hon. Members: "Newbury, not Winchester."] I apologise.

Whatever scheme we come up for raising local government finance will always have winners and losers. We need a fair system. What the Liberal Democrats proposed in their council tax reform would have hammered many people. Their former colleagues, who represented Newbury and Guildford, will tell them what happened to them on the doorstep.

My right hon. Friend the Member for Torfaen gave an excellent speech. I do not want to welcome him to the Back Benches, but he clearly enjoys their freedom. His comments about the way in which the Assembly has developed, which has greatly surpassed his expectation, were typically honest and direct. The fact is that the Assembly has developed and moved forward considerably. That is why we want to give it enhanced powers. My right hon. Friend asked whether we should have only an hour- and-a-half debate on Orders in Council, and I hear what he says. I am sure that that will be part of the contributions that we shall receive on the White Paper, and I urge all colleagues who have a point to make to put them in writing and get them to us by 16 September so that we have them and our debate today on the record.

Bill Wiggin: Will the Minister look again at whether Orders in Council are the best method, because I understand that they are absolutely unamendable?

Nick Ainger: We will look at the issue; indeed, we are having discussions to see what can be done. However, it is also worth considering the point that several hon. Members made about pre-legislative scrutiny. An order could be published before it is laid, which would give time for pre-legislative scrutiny, perhaps by the Welsh Affairs Committee. However, we are taking further advice on those issues.

The hon. Member for Meirionnydd Nant Conwy made several points, particularly about the two-thirds requirement in the Assembly. Again, the idea is to ensure that we have consensus on the timing of any referendum. He also mentioned the Barnett formula and indicated that the consequential that should have flowed from things such as the Jubilee line did not reach Wales. In fact, Wales did get the consequential as a result of that spending because they came under the budget of what is now the Department for

Transport. The hon. Gentleman also raised the issue of aviation causing significant emissions.

Let me move now to the main part of the debate, which raged around—if I can put it like that—the issue of regional Members. It is worth recalling that when Lord Steel was presiding officer in Scotland he made it absolutely clear that the issue was a serious problem and one that he had experienced. He said:

"Quite the most distasteful and irritating part of my job as Presiding Officer was dealing with complaints against list Members' behaviour from constituency MSPs."

That was his view as the then presiding officer.

David T.C. Davies rose—

Nick Ainger: I cannot give way any more.

The evidence that the Electoral Reform Society gave to the Richard commission made exactly the same point. Although making candidates choose to stand as a constituency candidate or as a regional candidate will not solve all the problems, it will certainly take away the perverse incentive that has been identified. As the hon. Member for Monmouth and others said, regional list Members will continue doing what they are doing now, although that could be addressed by protocols that are properly enforced by the Assembly so that it is clear that certain things are not allowed. However, at the end of their term as a regional list Member, they will have to decide whether to stand as a constituency Member. Those are the choices that have to be made.

Several hon. Members raised issues that were not necessarily directly related to the Queen's Speech, but I note the welcome given by my hon. Friend the Member for Ynys Môn for a large part of the Queen's Speech. I have noted several other comments by colleagues, but as is always the case we do not have sufficient time to go through them all.

In conclusion, it will be a busy year, certainly for me, and, I hope, for many other hon. Members who will be serving on the various Standing Committees that will take the measures in the Queen's Speech through. The Queen's Speech combines a commitment to public service reform and to mutual respect. There are Government Bills to promote deregulation, as well as measures to reform welfare, including housing benefit and incapacity benefit, and provide greater support for families. There are also measures to tackle asylum and immigration abuse and maintain public confidence in the migration system—a point made by my hon. Friend the Member for Wrexham. The Queen's Speech reflects the priorities of the British people and begins the implementation of the manifesto on which this Government were elected.

Question put and agreed to.

Resolved,

That the Committee has considered the matter of the Government's legislative programme as outlined in the Queen's Speech as it relates to Wales.

Committee rose at half-past Five o'clock.

Members' Research Service: Research Paper
Gwasanaeth Ymchwil yr Aelodau: Papur Ymchwil



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Cymru Wales