



HOUSE OF LORDS

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The Select Committee on the European Union

Inquiry on

VISIONS OF EU REFORM

Evidence Session No. 8

Heard in Public

Questions 79 - 91

WEDNESDAY 16 DECEMBER 2015

12 noon

Witnesses: Christina McKelvie MSP, Convenor, and Jamie McGrigor MSP and Anne McTaggart MSP, members, Scottish Parliament European and External Relations Committee

Members present

Lord Boswell of Aynho (Chairman)
Lord Davies of Stamford
Lord Jay of Ewelme
Lord Trees
Lord Tugendhat
Lord Whitty
Baroness Wilcox

Examination of Witnesses

Christina McKelvie MSP, Jamie McGrigor MSP, and Anne McTaggart MSP

Q79 The Chairman: My Lords, parliamentarians, colleagues. It is coming up to midday. This is a formal evidence session of the Lords EU Select Committee. We are particularly privileged to be in Scotland, in pursuit of our quest for the vision of EU reform and a better understanding of the process and the bits of the process that do not work as well as other bits might, particularly in relation to devolved Administrations and Parliaments. We are looking to see both whether there is a common vision and where the nuts and bolts are.

We very much appreciate your time, if I may say so personally, Christina. Many thanks, because we have a very good working relationship on the consultative machinery we have on behalf of all the member Parliaments within the United Kingdom. That is five, and not two: the House of Lords, with its democratic obligation without its democratic mandate—we will leave that at that point—the House of Commons and the three devolved Parliaments or Assemblies. I have always found that very constructive—we had a very good meeting in Belfast recently—and long may that continue. I am delighted to see Anne McTaggart from the Scottish Labour party.

We are awaiting two others. I think the sensible thing is to start and they can join in. We can see how the questions unfold. It is designed for us to get the evidence but also to exchange views, where that is helpful. In that regard, I remind colleagues that, if they find they have an interest other than a generic or general one, they should declare it. Here we are, well done. Come and join us, Mr McGrigor. We are three out of four, now. These are literally my opening remarks.

We will be recording this and we will send you a transcript for any factual correction. As far as I am concerned, just to take this further, this will be our second report upcoming on the referendum process. I hugely value the opportunity for a continuing dialogue with parliamentarians here, not just on this occasion but in the future. I introduced Anne

McTaggart from Scottish Labour, and now we have Jamie McGrigor from the Scottish Conservatives, with one more to come. We will start, if you do not mind. I know it is a hugely busy day here.

Jamie McGrigor: Of course. My apologies if I was late.

The Chairman: No, you have done fine. If we might start, Christina, my understanding is that your Committee is currently conducting an inquiry into EU reform and the EU referendum implications for Scotland. Without pre-empting your final report—you will hear the magic words in that, because clearly you must not tell us what is in that—what are the key issues that have emerged from the evidence you have had so far?

Christina McKelvie: Thank you very much for allowing us to come along and give evidence to your Committee. The collegiate approach that we have developed over the years, being extended to the whole Committee, and your work and our work helps to inform us all. That helps to ensure that the information that goes back to the Government when they make their important decisions is as informed as it possibly can be.

From our point of view, we have just kicked off this inquiry, so we had a call for evidence asking that very question on the implications for Scotland. We have had some pretty detailed responses to that. There seems to be a bit of a debate starting to be generated in Scotland. The independence referendum debate has created an appetite in Scotland for continuous debate on what kind of country we are; where we want to go; what type of things have an influence on us; and where we can have influence in the world. In that context, the evidence we see coming in reflects that.

We publish everything that we bring to our Committee on our website as it comes in, so there is a whole host of information there already at your fingertips, should you wish to use that. It is from many varied sources, with some very detailed analysis of specific aspects of Scotland in Europe and areas around that, including the franchise and who gets the vote. It is a very hot topic in Scotland right now. We are looking at all those aspects. We have had a roundtable with civic Scotland and the trade unions and had their perspectives on that a few weeks ago. Tomorrow we meet with the academics and the lawyers. We have had some very detailed evidence from many of them, including a detailed report from Aidan O'Neill QC on the franchise, which is very interesting reading indeed.

For us, the main theme that emerges is the impact on Scotland. Our farmers and our fishermen have very clear concerns about the impact on those two industries and were very open about that at the roundtable. We have some issues from the trade unions on the rights of workers,

the free movement of workers and the impact that that would have, and from some of the others.

The Chairman: One you have not mentioned—farming and fisheries we would be familiar with—is the energy sector, which is of interest to our Committee, but presumably it must be a very important part of the discussion here.

Christina McKelvie: Absolutely. Europe is going down the road of looking at more renewable energy produced, whereas in Scotland we are attempting to develop a very clear renewable energy policy that seems to have barriers put in the way. But that is maybe a discussion for another day.

The Chairman: I think it had better be.

Christina McKelvie: But you are right: security of all things, whether energy security, food security, financial security or personal security, seems to be the thing that people think would be at risk should we find ourselves outside of Europe. You will know that there is a very robust debate about Scotland's place in Europe, should we become an independent country. No doubt, if you get in a taxi, the taxi driver will tell you about Article 40, Article 49 or the Greenland option of Article 50. You have people in Scotland who know this stuff and are quite happy to give you their opinion on it. The debate is generating a bit and we think that our inquiry will help inform that debate.

The Chairman: The very good opinion that has gone to your Committee, published on 8 December—we have seen it because it is in the public domain, and it is coincident with the advice that we have received—is very helpful and detailed in clarifying some of these issues. Thank you for that introduction. Now we will go round my colleagues. We can make this fairly free-flowing among your parties as well.

Q80 Lord Jay of Ewelme: You will have seen the Prime Minister's letter to President Tusk. First, I wondered whether, in the light of that, you felt you had a reasonably clear understanding of what the British Government's objectives are in the reform process and the negotiations that are now under way. Secondly, in so far as you are clear about those objectives, how far do you think those might be achievable?

Christina McKelvie: I have been following Mr Cameron's tour of Europe and some of the reaction that is coming from that with interest. With regard to the letter, I do not think the letter is very clear at all. I do not think it sets out exactly what would be required or what is expected. I do not think it will satisfy some of the people on the Prime Minister's own Benches, and maybe in some of the other parties, who have a very clear idea of whether they want to be within or without Europe. The letter is still pretty vague, but, given the tour, some

of the comments from the tour and the interaction with other member states, you see more detail coming from that. Looking from the outside, it is about benefits and free movement of workers. It comes down to those two things: whether we pay people direct benefits and whether we have free movement of workers. My worry is that that turns into a debate about immigration and migration, and not about the merits or the demerits of Europe. Keeping that on track is a very clear concern for me.

Lord Jay of Ewelme: Leading on from that, you were talking earlier on about the degree of interest and understanding among the Scottish population of these negotiations. How far do you feel that there is an understanding on their part of what the Prime Minister is trying to achieve? Also, is there a sense that, in some way or another, this is a London-conceived and London-driven negotiation and is not paying enough attention to what your concerns might be?

Christina McKelvie: I am very concerned that you are only getting my part of this argument here.

The Chairman: Jamie, why do you not deal with that one?

Christina McKelvie: Then I can come back to you.

Jamie McGrigor: I come from the point of view that it is a very good idea for the Prime Minister to try to get a better deal for the UK, of which Scotland is obviously a part—a very important part. Of the four main points, the most problematic one is probably going to be welfare. Apart from that, on things like competition in Europe, he is absolutely right to be striving for that. Most people in Scotland would agree that, at the moment, Europe seems to be lying under a stagnant cloud, without much growth. We all have to see growth. We have to see something happening. With Scotland having been full of entrepreneurs in the past and having a record of entrepreneurial activity, I think most Scots would be very pro that. There is not a great deal of difference between what people think in Birmingham and what people think in Glasgow. There is perhaps some truth in the idea that, as I often think, London is a separate country from all those places.

Lord Trees: So do we.

Jamie McGrigor: I am not saying it is not good, because it develops a lot of visible income, but the point is that I feel what Scottish people think is not greatly different from what people in England would think. Christina would probably disagree with me on that, but, if you get into a taxi, it does not necessarily mean the person is an SNP supporter. They could well be a unionist.

Lord Tugendhat: Surely it is not valid to draw a distinction between Scotland and England. Scotland is so much smaller, and England is so much more diverse. You have a range of different views in different parts of England, some of which would be some distance away from the way people here might feel, but others of which would be, if not close, then identical. The ways in which people in the north-west think and people in the south-west think are probably wider apart than the ways in which people in the north-west think and people in Scotland think. To say “England” and “Scotland”, if I may say so, is not a valid distinction.

Jamie McGrigor: That is true. It is a good point, well made. From my own point of view, I represent the Highlands and Islands region, which is over half the landmass of Scotland. One of the main things that people there worry about will be their agricultural subsidies, because everybody, or an awful lot of people, is in some way linked to those. There is a feeling: “If we left Europe, what would happen to our subsidy?” That is a question I am getting all the time.

Lord Tugendhat: Sure.

Jamie McGrigor: For fisheries, it is not so much so, because there are not so many; it is not as dependent on subsidies as the agricultural industry is. But it is true that the fishery people are asking the same questions. I do not feel I have answered your question at all.

Baroness Wilcox: Your Scottish fishermen have done rather well today.

Jamie McGrigor: They have done very well on quota, on haddock in particular. That is a good sign that at least all the sacrifices they have put up with in the past, in the fleet, seem to have been borne out, in the fact that we have now got better stocks in the North Sea

Lord Tugendhat: I have a sister-in-law who is a constituent of yours, and certainly her views on subsidies are very well reflected by what you have said.

The Chairman: At this point—I was not going cut you off, because what you said is helpful to us—I ought perhaps formally to declare that I am in receipt of subsidies from the European Union for farming. I will do that, just to make it clear to people, although I do not think it is that kind of discussion.

Jamie McGrigor: I have to declare exactly the same thing.

Baroness Wilcox: I am from the fishing industry.

Q81 The Chairman: Anne, I wonder if you could come in on this. You represent Glasgow constituency, with a strong trade union influence and interest. Because we have picked up to some extent an interest in issues of fairness at work and so forth, I wonder how much you see that and how much you feel that is mirrored by industrial opinion in other parts of the UK. Is it a different discussion in Birmingham from the one here? Are people seen as being more collectivist or are they more worried about losing collective values here, or not?

Anne McTaggart: I do not think there is much difference. There is a huge concern coming from the union movement just now about collectivism and what some of this might mean to workers in particular, whether it be in Glasgow or in Birmingham. It is hugely important that, whether we are for David Cameron's letter or not, we have to be behind trying to get the best deal we can within the European movement. He has asked some questions. We will work around that. We are trying to debunk some of the information that has been out and some of the information that was requested. This is a huge job for us as political elected members. What does this mean to the person on the street? What does it mean to the worker? What does it mean to the people of Scotland? How will it affect them? It is a huge task for us to go and find that out.

The Chairman: Christina rather implied this earlier, but do you also feel that the argument is better developed here? Maybe—and I am speculating—this is on the back of the independence referendum campaign that you have had. Are the political antennae tuned in, in this case to Europe, in a way that they are not elsewhere? To be honest, we did not find this had really ignited in Belfast, when we were there recently, or in London. Do you feel that you are ahead of the game in this?

Anne McTaggart: Very much so. The referendum most certainly ignited people's passion to be involved in politics, for whatever reason. People are still involved and maintain their interest in what would be best for Scotland, how that would look and, whether as part of the EU or not, how Scotland best fits with that.

Q82 Lord Tugendhat: I was going to ask how you characterise the attitudes towards the question of UK membership in your respective parties, in the Scottish Parliament and in Scotland as a whole, whether there is a distinctive debate in Scottish society compared with the rest of the UK and in what spheres Scotland either benefits or suffers. I think you have answered part of it, but, in terms of the spheres in which Scotland either benefits or suffers, we have not dealt with that aspect.

Jamie McGrigor: We are all suffering at the moment in that, as I mentioned earlier, any form of subsidy coming from the EU is paid in euros, and, because the euro is so low against the pound, people are suffering from that point of view. That is one measure, but presumably that happens throughout the UK. It is not just a Scottish thing.

Lord Tugendhat: It is an interesting point.

The Chairman: It would be fair to say that comes top in agricultural industries I am not involved with, such as the dairy industry, for example.

Jamie McGrigor: Exactly.

Christina McKelvie: That was raised by the two sectors at Committee a few weeks ago. To be fair to the farmers and the fishermen—it was the NFU and the Scottish Fishermen's Federation that were represented—they said that pre-crash it was paid in euros anyway. It makes no difference whether it is paid in euros or groats; they have always got the same amount of money. Because of the crash, there was a bit of pressure on that, but it did not matter to them because it has always been paid in euros.

Jamie McGrigor: It has always been paid in euros, but the value of the euro matters enormously. That is the point.

Q83 The Chairman: Can we have an industrial take on this too? Across the UK, there have been real difficulties with the steel industry recently. I am not sure how specific they are in Scotland, partly because you have restructured in the past. Using that as an example, but not the only case, are you feeling sensitivity to that and does it affect how people feel about Europe? Do they blame it, because they are in a single market, or do they see it as being part of a solution to the impact problems of that industrial change?

Christina McKelvie: There are three aspects to that. On steel, it depends on what quality of steel you are talking about, because we have not had a steel industry that makes steel girders or things for building stuff since Ravenscraig. We have not had that for many years. We have a few small steel mills that do rolling plate, which you do not use in buildings unless it is to put a fancy front on your building. It is not used to actually build things.

The Chairman: Structural steel works.

Christina McKelvie: We have already shifted away from the steel industry. That was pre any of the tensions around Europe. But we are in a situation now where two of our remaining steel plate mills are under threat and there is a Scottish government task force on that. There has been a bit of a kick-back from the trade union movement, saying that if we did not have certain EU rules on this we could save this industry via state aid. Some of that came back, because apparently we can, but it has to be the member state that does it, and the UK Government have said they will not do it. They will not save Redcar; they will not save Motherwell or Cambuslang. It has not been the member state, but having a Government with a task force to try to save the steel industry. The option is not available to them under EU rules, so that complicates things.

The Chairman: Presumably that is because it is felt to be inconsistent with other aspects of UK policy.

Christina McKelvie: Yes.

The Chairman: Anne, do you want to comment on that? It is not necessarily only on steel; it can be other impact effects: globalisation or a very prolonged recession.

Anne McTaggart: It is convenient for people. If there is an industry going down and jobs are being lost, people pile on to: “Who can we blame?” Sometimes it is an easier task to blame what is behind the EU regulations. Again, it is about trying to debunk that information and finding solutions. We all want to see employment. We do not want to see the shutting down of the steel industry. We want to see the industries thriving; we want to see jobs growing. Our job is to try to make the best of that situation and, if that means tapping in to our EU colleagues, so be it.

Christina McKelvie: There is a debate on two other topics concerning the relationship with Europe and whether that is a good-quality and productive relationship. There is a huge debate in Scotland on TTIP and the impact of the trade agreement on our public services, farming standards and chemical standards in Scotland—all of those things. We have done a pretty major piece of work on TTIP. You have a debate in Scotland on TTIP: “Do we want to be in a Europe that uses an investor-state dispute mechanism that is secret and is not democratic?”

The other thing is the refugee crisis. Many people I know, across all sectors in Scotland, who I would have deemed as being pro-Europe, were very critical of the lack of action from the EU when it came to the refugee crisis over the summer. They said, “Do we want to be part of a European Union that allows people to drown in the Mediterranean?” It was as brutal as that; Scots people are usually pretty straight anyway. There was probably a lessening of the positive relationship between Scotland and Europe, on the back of some of these decisions that had been taken, which we felt had an impact on our ability to do things about it.

The Chairman: Perhaps we ought to move on from this in a minute. Let me ask you a straightforward question on this. I am assuming there is a fairly general tenor of support for continuing membership across Scotland and, I suspect, among those present today. Would you be worried if a referendum were conducted in circumstances where there were fairly high-profile migrations taking place in the Aegean next summer? Do you think people would look at the television and say, “Well, perhaps Europe is not for us because they are not doing the job. It is failing”?

Christina McKelvie: It would depend on the reaction. We are talking about a coastguard that is not about search and rescue and not about supporting people who get into difficulty, but more about stopping people. It is more about barriers than support. That would be the dividing line. People would want to see Europe reacting in a humanitarian manner, where all member

states take on the responsibility. They would not want to see more dead children on a beach or people standing at fences in Hungary, Turkey or parts of Greece and Italy.

The Chairman: One of our specialist Committees has looked at the whole issue of safe routes for migration.

Jamie McGrigor: On that point you are making, Christina, the reaction I got was that people were rather astonished that there was not a more co-ordinated approach from Europe to deal with the disaster. Somehow one would have thought that this massive institution, with its Parliament and everything else, would represent a body that would be able to cope with an emergency. It did not appear to be. It seemed to be chaos. No, “chaos” is too strong, but it was people from different member states trying to help in different ways, whereas a co-ordinated approach really was not there. If you looked at Lesbos and people wading ashore from rubber boats, nobody was really helping out. Greece could not cope. Where was the internal European body that was going to deal with this, of which we were all members? We imagined somehow that there would be somebody who would deal with it, but there just did not appear to be.

Lord Davies of Stamford: It has never been popular to suggest new increases in jurisdiction for the European Union, before an emergency has made those increases absolutely necessary. Now we have an EU that is putting together co-ordinated policies in quite a determined way in the last few days, I think, on migration and the strengthening of the common external frontier.

Christina McKelvie: Juncker has done a great job here.

The Chairman: He has.

Lord Davies of Stamford: What you were saying, Christina, was quite interesting. There might be a difference between England and Scotland here. Nobody, of course, likes to see pictures of dead babies on a beach or think about that sort of thing, and there was undoubtedly an enormous degree of emotion throughout the EU when those pictures became available. Angela Merkel accepted 800,000 Syrian immigrants into Germany, which is pretty remarkable. But, once that had passed, my strong feeling is that in England people’s concern is with illegal immigrants, coming not just from Syria but from elsewhere—from north Africa, from Eritrea, from central Africa and so forth—and the lack of fences against them and the common external frontier, so they all end up, in some people’s perception, at Sangatte or being smuggled across the Channel. That is a different worry from the one you are talking about, that we are not being sufficiently humane or letting enough in.

Christina McKelvie: The thing about this debate is that all these things get conflated, whether it is migration, immigration, from the EU, from outwith the EU, or whether it is the refugee crisis. They all become conflated and then end up on the front of red-tops. That influences people's thinking, rather than separating them out for the human things that they are, which is something that we tend to try to do very often in Scotland.

Q84 Lord Tugendhat: You mentioned, very interestingly, the two issues on which you thought there was a distinct Scottish debate. Let me ask if you would focus on a third, which is that it is quite obvious to anybody who follows EU affairs that bigger countries have bigger sway than smaller countries. You only have to compare the way in which France gets away with breaking the eurozone rules on the one hand with what, to take an extreme example, happened to Greece on the other. What happened in Greece made something of an impact on opinion, particularly in left-wing circles in the summer. I wondered whether the difference between being a member of the EU as part of a larger country and being a member of the EU as a small country was something that had impacted on the Scottish debate.

Christina McKelvie: I think so. Going back to the Greek crisis, before the refugee crisis, there was a bit of debate in Scotland: "Is that how we should treat a sister country that is having difficulty?"

Lord Tugendhat: And a small one.

Christina McKelvie: "We should be there to support". The debate around that was about whether imposing administrators as a head of state on a country was circumventing democracy. That was a real concern for many sectors. In Portugal and Italy, in Spain and Greece, there was a push to have unelected administrators running the countries rather than the actual democratic will of the people, which I think was reflected in the elections. Tsipras being elected in Greece was a real kick-back from that as well. I certainly had debates with people in Scotland who were saying, "I do not know if I want to be part of a European Union that thinks that is okay, when it should be about support and not about imposition". That debate was very real and alive, yes.

The Chairman: We turn to what you might call the negotiations issues and the parliamentary aspect of this.

Q85 Lord Whitty: We would like to get a feel from you as to whether you think, in this run-up to renegotiation and the eventual referendum, the UK Government has taken the views of the Scottish Parliament—we obviously asked a similar question to the Minister just now—and Scottish interests generally. Do you think you have been kept fully informed? Have you had any influence on the way the Government are tackling negotiations in Brussels?

Christina McKelvie: We issued an invitation to David Lidington to come and give evidence to our Committee, as part of our inquiry, on the UK's position on this and the impact it would have on Scotland. He declined that invitation on three or four different occasions, citing that he speaks to the Scottish Government, so we should get our information from there. We pointed out that it is a cross-party Committee of Parliament, and Parliament and government are two separate institutions, but he still did not come along.

Some of the work is to write to Ministers and write to interested parties and groups to get that information. We have sent letters off to Fiona Hyslop, the Cabinet Secretary, who you met earlier, and letters with similar themes and questions to the UK Government, in order for us to gather that information. When a UK Government Minister says, "No, I am not coming to your Committee", that is an impediment immediately. We found ways around that, because we are a bit canny about getting information from other places and in different ways. But having that type of respectful relationship across a table, like this, with each other would be a better way to do it.

The Joint Ministerial Committee meetings, the European ones, are an improvement. I do not know what the Cabinet Secretary said to you earlier, but there seems to be a bit of an improvement in that, because we get notes from those meetings sent to the Committee formally. They do not have all the details, because obviously some things are discussed in Committee between two Governments that are private, but we get a general note, which seems to be getting more detailed as it goes along. I am an optimist. I hold out hope that there will be an understanding that it is very important to consult all constituent parts of the UK when it comes to making a decision that affects all constituent parts of the UK. I would hope they would do that.

The Chairman: It is at least worth asking the question of UK Ministers: if they are in favour of an enhanced role for national Parliaments, who is going to be allowed to join the party? I note your mirth, but it is a good debating point, if I might respectfully suggest it to you.

Christina McKelvie: Absolutely, and it is one we will pursue.

Q86 Baroness Wilcox: If Scotland voted to remain in the European Union and the overall result was a vote to leave, would a second referendum, or independence, inevitably follow? You have already been speaking about this, so we know it is in the back of your minds, but I would be interested to know if this was an immediate reaction from your people.

Christina McKelvie: I suppose it would be that reaction from the people that would matter. My party's policy and the Government's policy is that the people of Scotland will decide whether there will be any other referendums; whether anybody puts it in the manifesto or not

is neither here nor there. If the people of Scotland do not want it, then we have a problem, from that point of view. If they want it, then we have a different set of problems in how we facilitate that. An in-or-out referendum has been talked about by many people as a trigger, as a material change almost, in the constitutional set-up. Would that be strong enough? I think it would depend on the volume of vote from Scotland and how strongly people feel about it when they go to cast that vote. If they cast the vote absolutely definitely to remain in, and by dint of size of population we found ourselves in negotiations to go out, my personal reaction would be, “Excuse me, EU, but we want to stay”. An Article 51 might facilitate that.

Lord Tugendhat: “Return” would be a more accurate way of putting it.

Christina McKelvie: I want to think the EU is practical about these things, so we will find some practical arrangement.

The Chairman: I would be really interested in the take of the other parties on this. Anne, do you see it the same way or do you think it is more obscure or uncertain on that?

Anne McTaggart: We have just had a referendum and the vote was clear. The majority of the people wanted to stay within the UK, and if you want to be within the UK you have to play by those rules. That is where Christina and I differ. No, I do not want us to leave the EU. I would not want for that to happen. If it does happen—Christina is right—the people of Scotland will decide whether there is going to be another referendum. No, I do not want to see another referendum—not in my lifetime. However, if that happens, the people will decide. It will ultimately not be any political party.

Jamie McGrigor: The SNP Government called for a double lock and they put forward an amendment in the House of Commons, which was defeated. I go along with what Anne says on that: as far as I am concerned, we are members of the UK. The double lock they were calling for insisted that every single member state of the UK had to vote that way before we could go out, including Wales and Northern Ireland. You would have to look at that if Northern Ireland happened to say, “No, we would rather stay in”. What about the other way around, if one lot decided they wanted to go out? If we are a UK, then we are a UK, and that is it. We have to stick by the same rules.

Q87 Lord Trees: This is particularly to Christina. I am quite intrigued by our interest in the possible paradox between the Scottish populace’s reaction to a union with Wales, Northern Ireland and England, and the Scottish populace’s opinion about a union with another 27 countries. Do you think there is rather a paradox there or how would you explain that?

Christina McKelvie: Independence in Europe?

Lord Trees: A substantial minority of people in Scotland did not want to remain in a small union of four nations, but opinion polls show that a majority of Scots would like to be in the EU as one of 28 member states.

Christina McKelvie: I think it comes down to autonomy. You have a situation where we had a very successful round of fishing talks led by Richard Lochhead, who has been the Minister for fishing, farming and all things environment for eight and a half years now. He has that experience. I have to say that, when it comes to EU talks in that respect, in most cases Richard leads those, because he has the most experience. That is not the same for other portfolios across government, where our government Ministers will be left sitting outside the room, never mind even a place at the table, which can be difficult. Saying that, in justice, Ken Clarke was very good at working with Roseanna Cunningham and taking forward a joint position. From a European point of view, you have a Scottish Government unable to take decisions that are best for Scotland and, in some cases, a UK Government taking decisions in Europe that are detrimental to Scotland. Fishing is one of them in a historical context. We were looking for the independence of a member state in order to take forward some of the ideas that we felt were our priorities for Scotland, and which could be better addressed by an independent Government going to Europe as a member state and not as part of the UK.

The Chairman: Just to be clear about what you have said, within the United Kingdom as at present, it is almost a contingent or haphazard matter whether or not a particular Minister is sensitive to these pressures and involves Ministers from Scotland as against doing their own thing and telling you. You are nodding to that, Anne. Is that your view?

Anne McTaggart: Yes.

The Chairman: They vary. To take a simple question, you mentioned the previous Justice Secretary but two, or Lord Chancellor, but there is a different legal system in Scotland, which, by itself, creates quite a clear interest. That will depend on who happens to be the Lord Chancellor of the day.

Christina McKelvie: It comes down to personalities, which can be very difficult if you are pushing forward with an idea for Scotland.

Jamie McGrigor: On that particular point you mentioned about Richard Lochhead and the fisheries, the Scottish Fishermen's Federation chairman, Bertie Armstrong, said that it does not matter who is in the chair; what matters is what is said from it. If Richard has the most experience, then perhaps he should. What we want is the UK's point of view put forward as strongly as possible, and I do not think there should be any pettiness about that.

Q88 Lord Jay of Ewelme: Going back for a moment again to the specific issues of the Prime Minister's renegotiation, he has identified immigration—he calls it immigration rather than migration—as one of the four key challenges as part of his renegotiation, with the specific objective of enabling the UK to control migration from the European Union. My question is: how far is that concern shared in Scotland and is there a feeling that too much of a control could hinder economic growth if you cannot get the people you need to do the certain jobs that need to be done? How is that seen?

Christina McKelvie: It already does, in some respects. We have been pushing the UK Government for a long time now to reintroduce the aspect of post-study work visas, because we have some very talented people who come from Europe and the wider world to study here. They come to do their PhDs and to take part in research projects. Given that one of our major growth areas is life sciences and research and development, which is where the quality jobs are being created right now, to lose some of those brains and some of those individuals because of where they were born is a real impediment and it has a huge impact on the Scottish economy. I think using the word “immigration” in the letter is extremely unhelpful, because it should be about the right of free movement of workers. That is what it should be about. I heard George Osborne in an answer to a question last week saying that he believes in the free movement of workers, so it throws that immigration statement in the Prime Minister's letter into sharp relief. There seems to be a bit of a back-track going on here, because they use the word “immigration” and think it would be a catchall when it is not. This is about the free movement of workers. Essentially, from our point of view, it is not about the free movement of workers but about having to pay benefits to workers, should they come here to work and become ill or unable to work for whatever reason, such as if they lose their job or they are in a redundancy situation. It seems to be more about paying for people. We have about 170,000 EU workers in and around this area. In some cases, some of our industries would not function without them.

Lord Jay of Ewelme: Are these EU citizens working here or Scottish citizens of EU origin?

Christina McKelvie: We have lots of EU citizens who have made Scotland their home. They came to study and they have a job here. They have got engaged in industry, especially in some of the farming and fishing industries. They have set up businesses and created jobs. In fact, one of our parliamentarians, Christian Allard, is French and has been here for 30 years. He will not have the right to vote in an EU referendum, which is ludicrous.

Lord Jay of Ewelme: Is this a view across the political spectrum here, do you think?

Jamie McGrigor: Yes, to some extent. We have a very strong Polish sector now. In Inverness, there are Polish shops. They are part of the community and are greatly welcomed in Scotland. We have plenty of room in Scotland. We are not so congested perhaps as other parts of the UK.

Christina McKelvie: We have different needs.

The Chairman: And there is no backlash.

Jamie McGrigor: There is always a backlash.

The Chairman: Yes, but not of a scale that would give rise to concern.

Jamie McGrigor: No. You will see newspaper headlines about people taking other people's jobs and that sort of thing, but, on the whole, I do not believe some of the tourism industry would function if it was not for quite a lot of European nationals helping to run it.

Christina McKelvie: This hotel has a great range of people.

The Chairman: That would be your take as well, would it, Anne? Basically, migration is seen as positive and should not be discriminated against.

Anne McTaggart: Absolutely. Again, the red-tops get hold of myths and just peddle nonsense. It is important that we get out that our tourist and farming industries could not survive without that.

Lord Jay of Ewelme: You say the red-tops get at it, but, if we were asking a cross-section of public opinion, would they be saying the same thing as you are saying, or are there pockets of places that are concerned about it, in the same way as they are in some parts south of the border?

Jamie McGrigor: You have a point there. There are pockets of places where the situation is quite acute, where people feel they have lost their job and cannot get a job because somebody from Poland or some other country—it does not matter; I am just using Poland—is going to take it.

The Chairman: Closing this point, it would be fair to say that my impression of how I hear it is that this is less seen as a problem in Scotland than it is in the United Kingdom as a whole.

Christina McKelvie: I think it is because we have particular needs in some of our industries. If you take the recent refugee crisis, the first tranche of people through the Syrian Vulnerable Persons Relocation Scheme have come to Scotland: 600 people in the past month or so. In terms of the work that we have done in preparing for that, when I was in the trade union movement, I worked in social work in Glasgow, and we took a group of refugees into Glasgow. At the time, we did not prepare the local communities for it. We put people into tower blocks, which were poor housing accommodation not just for refugees but for

everybody, and it had a really detrimental impact on communities. In setting up the task force for this resettlement, we have looked at areas across Scotland with declining populations or areas that need workers and where we can work with the communities. We saw the scenes of people arriving in the Isle of Bute last week, where the community turned out to greet them with all their kids.

In fact, Parliament did a Parliament Day with young people, asking them how they would support refugees coming into their community. The ideas that some of the children came up with were much better than anything that we had, including a buddy system for the children of Syrian refugees, not just at school but after school and at the weekends, as well as how to make sure that English as a second language is naturally learned in the communities. If you look at how we handled that, you will see a different attitude in the communities. I am not saying we are perfect by any stretch of the imagination. We have some of those factors in there, which are usually bred by fear of people coming and taking jobs.

The Chairman: What we hear is very positive, so we note that with pleasure.

Christina McKelvie: A lot of very good work has gone into that across the parties as well.

The Chairman: I understand that.

Q89 Lord Trees: It has been perceived in some quarters that there is a democratic deficit within the EU and the Government have talked about the need for a new arrangement, where national Parliaments, perhaps acting together, can stop unwanted legislative proposals and so on. How would you like to see democratic accountability enhanced in the EU and what role do you see for the Scottish Parliament in that?

Christina McKelvie: There are two aspects to that. Some people believe there is a fundamental unfairness in that every single member state needs to agree to every single thing before a decision is made, and democracy would be the most-votes-won routine. Both of these are double-edged swords, because you would need to have a collective responsibility to any decision that was taken; therefore, every member state should agree. But, on the aspect of other things that member states put forward, should those be advanced because the majority of member states support them, or should they not be advanced because one or two do not agree with them? You have some of that. Democratic deficit for us is whether the votes of the people of Scotland actually count when it comes to aspects of European discussions, Council meetings and heads of state meetings, and whether we have an influence in that. As part of the work that I do, I am convenor of the Committee, I sit on the governance committee of the Council of Europe and I am on the Congress of Local and Regional Authorities. When I see some of the regions of Europe—which is how Scotland is defined—that have much more

power, more say and therefore much more influence on what goes forward as the collective position of that country, that is where I see the democratic deficit. I do not understand David Cameron's argument on democratic deficit. I do not think he has explained it enough for people to understand what he means by that. Hopefully, that is something that will come up and be more defined in the debate.

Lord Trees: Since the last election, has the position, in your opinion, not got better, given the strong representation from Scotland in Parliament, with a particular focus, although it is the same number of MPs, and the potential to influence things in Westminster and the UK Government's point of view in Europe? Is it not better now in terms of democratic legitimacy?

Christina McKelvie: There are a lot of voices saying the same thing very loudly. If you look at the process of the Scotland Bill, for instance, or the EU Referendum Bill, on amendments put forward by 56, and in some cases 57 or 58, of the 59 MPs who come from Scotland, we are just voted down. That is where that tension arises: you have the whole of Scotland almost saying the same thing, but it is voted down. A very clear indication of that is how we believe in votes at 16. That is the position of every party in the Scottish Parliament, that we believe that people should have the vote at 16. We legislated for and created that in Scotland; we think the same should be said for the EU referendum and for EU citizens. There is a very distinct difference there.

Jamie McGrigor: There are two points I would like to make. One is that Scotland is only one region, first of all. Scotland is just one region. We have six MEPs and not many people vote for them. I do not think there is enough of a link between MEPs and their constituents, for one thing. How you deal with that, I do not know, but that is one thing that is definitely true. The other thing is that, going back to my region of the Highlands and Islands, it benefited enormously, originally, from the EU because we had all these Objective 1 structural developments to build causeways and bridges. That was great in those days, but now that money goes elsewhere, so there is a feeling: "Who decided it was going elsewhere? Why could we not stay like we were and get the same benefits we were getting? We are no longer getting the benefits that we got before." That is a point. Who made the democratic choice to move the funds elsewhere?

Christina McKelvie: I think we should have 14 MEPs anyway.

Lord Tugendhat: Ms McKelvie, you said you did not think that Scotland had the same degree of clout with the British Government that some other regions have with national Governments elsewhere. Could you tell me which other regions, subdivisions or whatever you

want to call them, in Germany or Spain or wherever it might be, have greater clout than you do?

Christina McKelvie: The Länder in Germany have control over foreign affairs and have a very distinct EU voice. That is where we have taken some evidence from. Which region was it?

Jamie McGrigor: Was it Bavaria?

Christina McKelvie: From Bavaria, yes.

Jamie McGrigor: Bavaria is particularly strong.

Christina McKelvie: Bavaria is a very strong example of that. Some areas like the Basque Country and Catalonia are now developing their own foreign policy in that respect. Outwith the EU, when you look at the power that Quebec has in relation to foreign affairs, they have their own political influence there and a decision-making body to do that. We have looked at some of these aspects. We are looking at alternatives to the European Union and other aspects of that after the new year, so we may be in a clearer position to have gauged opinion on that.

Q90 Lord Whitty: One of the other baskets of the Prime Minister's negotiating package is competitiveness, and he wants to wrap all sorts of things up into competitiveness. I got the impression from the Cabinet Secretary this morning that, while competitiveness is very much also on the agenda of the Scottish Government, they are worried that some of this is a cover for forms of deregulation and the removal of social protection, particularly in the employment area, which they would not support. Is that a correct interpretation and does that reflect the view across the Parliament?

Christina McKelvie: I am not sure. I will let Jamie in, because Jamie has been ploughing that wee furrow for a long time, on competitiveness and the single market. The Scottish Government's position is not the position of the Committee. We have not come to a position on any of these aspects and, in the course of this evidence-taking, we may not. We may just have an open recommendation on that. You know the Scottish Government's position on it. That is the Government of which I am a Back-Bencher, so I would have similar views, but I think Jamie has a very distinct view on this, and no doubt Anne will have a different view as well.

Jamie McGrigor: I am just concerned that our exports are mostly whisky, beef, salmon and cheese—£460 million-worth of cheese. An awful lot of this goes to Europe and, were we not members of the single market, it would be very difficult for Scotland to suddenly find herself outside that huge market. That is what my concern is, basically.

Christina McKelvie: Twenty-eight different regulatory frameworks would be a nightmare. We have very small businesses on which Europe has a big influence. Some of our small salmon fishermen earn big money but have small operations.

Jamie McGrigor: Salmon farmers, not salmon fishermen. They have benefited enormously from this. Mind you, a lot of it goes to China as well. We are opening up other markets all the time. I think the initial convergence would be quite difficult. The shock to the system might be pretty severe, I would have thought.

Lord Whitty: In terms of what, broadly speaking, the Parliament and your Committee would hope came out of the competitiveness negotiations, what one thing do you think would help Scottish industry?

Jamie McGrigor: Are you asking the convenor?

Lord Whitty: I am asking all of you.

Christina McKelvie: Yes, on you go.

Jamie McGrigor: From what I can see, most of Scottish industry would prefer that we stayed in, if that is the question that you are asking.

The Chairman: You are all nodding to that.

Lord Whitty: Do you think there is something the Prime Minister could achieve in the negotiations?

Jamie McGrigor: I would like him to achieve a little more spark in European economics, personally. Nobody has mentioned red tape, bureaucracy and all that stuff we used to talk about as a problem with Europe, but it all comes under the same heading. We want to cut down on cost and move up a gear, and that is what we would like to see the Prime Minister achieve for the UK.

The Chairman: That is quite helpful, not least because there are some moves, of course. We scrutinise the work programme and the Timmermans-led REFIT programme. I think there are some fellow feelings across Europe on that matter. It is just a matter of getting them all in line.

Q91 Lord Jay of Ewelme: This is the last of the four baskets, I suppose. The Prime Minister is, I personally think absolutely rightly, as is George Osborne, particularly keen that there should not be, in the European Union in the future, a discrimination between those countries that are members of the euro and those countries that are not. Britain looks like being in the second category for the foreseeable future, as, indeed, do one or two others, such as Sweden. He is seeking to secure legally binding principles that safeguard the operation of the Union for all 28 member states and a safeguard mechanism to ensure these principles are respected and

enforced. Is that something that, on the whole, would get general agreement, or is that something you think is difficult or problematic in any way?

Christina McKelvie: It is an aspect that needs to be explored in a bit more detail. Not to harp back to the independence referendum, but one of the things that those of us on the yes side were told consistently was that we would be out of Europe but made to use the euro. There were two conflicting arguments going on: as an independent country, we would be chucked out of Europe and need to renegotiate our way back in; in the meantime, we would be forced to use the euro. That was an aberration of what the treaties say. We know that. It was politics, and we understand and respect that. I know Denmark has a very clear monetary policy when it comes to being in the euro or not; it remained outwith the euro but pegged to the euro. Interestingly, it did not go into crisis when the euro did, so there are lessons to be learned there. There may be a way of looking at how they do it, what mechanism they use and how we can then incorporate that. There has to be an element of choice within the European Union as well. It is probably an area where I agree with the Prime Minister that there has to be a bit more work done on this. What countries feel about their economic climate, whether it is ERM1 or ERM2 or whatever—I lived through all of that at that time—and the impact that would have on the local economy of whatever member state it is, is a discussion that needs to be had.

Jamie McGrigor: Personally, I think the euro is the problem. I do not see why countries should be forced to abandon their currencies if they wish to join the EU. However, that is a personal view. I would agree generally with what has been said. Political and monetary union are two separate things, and it is worth looking at what the United States did. It took them a very long time.

Christina McKelvie: And Ireland.

The Chairman: That is perhaps for another occasion.

Lord Davies of Stamford: As everybody knows, there is in the preamble to the treaty, and has been since the beginning in 1957, a phrase about ever closer union of the peoples of Europe. We have had expert advice on our Committee that that represents an aspiration, that it does not establish any particular obligations on member states or take a view about any political structure or solution and that it is unexceptional, but other people take great exception to it. The Prime Minister has said that, “The British people do not believe in it”. It is one of his four objectives to get that changed. What is the view in Scotland about the importance and interpretation of that phrase and whether it is right to make an issue of it in the way the Prime Minister is doing?

Christina McKelvie: You touched on the problem there: it is the interpretation of the phrase that is the problem. People interpret that phrase differently. For me, ever closer union of the peoples of Europe is working together on many aspects of things that have an impact on us all. It does not mean politics and it does not bind us to anything, the refugee crisis being a perfect example of that. The euro crisis is another example, where people thought, “Hold on a minute. I do not like what Europe is doing to some of these countries that are in strife. We should be, as the peoples of Europe, working together to resolve this rather than imposing”. It is the interpretation that is the issue. For us on the Committee, we will explore that interpretation to see what it means for Scotland, but, to be absolutely honest with you, it is not a debate that has come up thus far. It is something we should push for some evidence on.

The Chairman: Everyone is nodding on that. On that note, can we move towards a conclusion? I suppose, to inject my personal view for a moment, most of these issues are about whether or not the arrangements we have, which may need modifying, can satisfy the needs and aspirations of people wherever they are and give them a sense of identity, security and stability in the life they lead, which are not unreasonable things to ask of a democratic system. I have been impressed, on previous occasions, but particularly today, and I think all our Committee has been, by your engagement with us and the way in which you have been able to take slightly different positions, but nevertheless to have a common understanding, which has been really useful to us. We appreciate that.

Jamie McGrigor: We will fight later.

The Chairman: Yes, you can see them behind the bike sheds later, but we will leave that to you. It would be appropriate to record our thanks for that and to say we will follow up with a transcript. I hope we will, through this inevitably rather trying and difficult process, continue to maintain contact as to what you are doing with your report and what we are coming up with, and to generally exchange views, which is very much to our mutual advantage. Thank you very much.

Anne McTaggart: Thank you.

Jamie McGrigor: Thank you.

Christina McKelvie: Thank you. On behalf of our Committee, thank you for this. The way to resolve all these issues is to have good conversation. If we have good conversation, then we can come up with some resolutions, hopefully, and move forward collectively. Thank you on behalf of our Committee. We really look forward to maybe engaging with you again. The Committee has an eye on all the work that you are doing anyway. Good luck with your deliberations.

The Chairman: Thank you very much.

Christina McKelvie: Enjoy your time in Scotland.

The Chairman: Always.