



## Northern Ireland Affairs Committee

### Oral evidence: [Northern Ireland and the EU Referendum](#), HC 760

Monday 7 March 2016

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Written evidence from witnesses:

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Members present: Mr Laurence Robertson (Chair); Mr Nigel Evans; Mr Stephen Hepburn; Lady Hermon; Kate Hoey; Danny Kinahan; Jack Lopresti; Dr Alasdair McDonnell; Nigel Mills; Ian Paisley; Gavin Robinson

Questions 289–524

#### Examination of Witnesses

Witnesses: **Mike Nesbitt MLA**, Ulster Unionist Party, and **Michael McGimpsey MLA**, Ulster Unionist Party, gave evidence.

**Q289 Chair:** We will open the public session. Gentlemen, thank you very much for joining us. I think you know what we are doing. We are meeting various party representatives today and one or two more people tomorrow. Thank you very much for coming. To kick off, the UUP just declared its position on the referendum. Perhaps it might be useful if you just briefly tell us what your line of thought on it is and then we will go through the questions, if that is okay.

**Mike Nesbitt:** Yes, certainly, Chair. From memory, and I might not get this word perfect, we are on balance persuaded Northern Ireland's interests are best served remaining in the European Union while the UK Government press for further reform. We would like to see a return to the founding principle of free trade and an end to further political union. Although we had something like 99% agreement on our proposal at our executive meeting, we are conscious that there will be individual members within the 2,000-odd members of the party who will vote for out on 23 June. We feel it is only right and proper as a mature, democratic party that we facilitate that.

**Q290 Chair:** Thank you very much for your opening comments. You mentioned a reformed European Union. You mentioned ongoing negotiations. Are you confident—



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**Mike Nesbitt:** No, Chairman, I said pressing for reform. I did not use the word “negotiation”. I do believe that what the UK Government have done to a certain extent is make at least some of the other 27 think about what they might like to see by way of reform, but I understand the UK negotiations are over.

**Chair:** Thank you for that clarification.

**Q291 Mr Evans:** It is on the deal I would like to ask you, Mike. Just looking at the deal in itself, do you think that on its own was enough?

**Mike Nesbitt:** I think it could have been better and that is why we are calling for more reform. We took a little bit of time before coming to a decision, first of all, because it belongs to our ruling party executive and you need time to call it. We probably took two weeks where the earliest we could have done it was one week. That was partly to see whether people were going to study it in any detail. Frankly, I do not think they did. Part of the concern I have is that the debate on in or out of Europe tends to be conducted on an emotional level. It is hearts over heads, although I have to say on Saturday I felt our party executive had a really hardnosed debate on the main issues.

**Q292 Mr Evans:** Why do you think the Prime Minister did not ask for more?

**Mike Nesbitt:** I think the Prime Minister feels he asked for what was practicable.

**Q293 Mr Evans:** But you have said that there should be further reform. Are you not pessimistic about the chances of further reform? As the Prime Minister did not even ask for what was in the manifesto at the last general election because he thought he would not get it, what makes you believe that going back and asking for more, Oliver Twist like, is going to do anything more than either nothing or even more thin gruel?

**Mike Nesbitt:** I do not particularly think he will succeed because clearly if you have the threat of withdrawing, that gives you your strongest bargaining chip. What I am suggesting is that there is a potential at least that some of the other 27 member states will now look at bureaucracy in some of the other baskets and say, “Do you know what, actually there is room for improvement here and we are going to lead the charge rather than the UK”.

**Q294 Mr Evans:** I know we are only into week two of the referendum campaign, if I can call it that. Have you taken a view as to the quality of the debate so far and your view on Project Fear?

**Mike Nesbitt:** I think the quality of the debate is quite shallow in Northern Ireland. As I said, I think people are approaching it with their hearts rather than their heads and if you do approach it with your heart, you are much more likely to see success for Brexit. I for one certainly do not feel any great emotional tie to the concept of the European Union, with the exception, funnily enough, of the Ryder Cup three days every two years. When Darren Clarke from Dungannon leads out Rory McIlroy from Holywood in County Down



this autumn in the United States, I will feel European. It can be done, but it is not being done on a practical level. I do not think people feel any—

**Q295 Mr Evans:** On Project Fear itself?

*Mike Nesbitt:* I think there is a lack of good, solid detail or, going beyond that, I think we are now also into the territory of people just looking at it in terms of lies, damned lies and statistics. People will believe what they choose to believe in terms of the finances.

**Q296 Kate Hoey:** Mike, can I take you up on that point about the Ryder Cup? The Ryder Cup has nothing to do with the EU. It is Europe. Europe is huge. The EU is tiny in relation to the rest of Europe. The same as the Eurovision song contest; there might be a lot of people who think we should not be in that. Anyway, this idea that somehow all these things are going to be taken away from us, you are almost adding to Project Fear in a nice way—

*Mike Nesbitt:* I certainly do not mean to.

**Kate Hoey—**that we will not get the Ryder Cup if we vote to leave the EU.

*Mike Nesbitt:* No, I think you are right, I think people would support the Ryder Cup whether they were flying the European Union flag or not, but it does show you that sometimes people can coalesce around an issue emotionally. My serious point is I do not sense Europe has made any effort, never mind had any success, in trying to make people feel that it is a really good thing to wake up as a member of the European Union.

**Q297 Mr Hepburn:** How many meetings have you had with the Prime Minister over this issue?

*Mike Nesbitt:* One.

**Q298 Mr Hepburn:** What part did he have in persuading you to come to your decision?

*Mike Nesbitt:* I think it was a useful meeting in terms of clarification going both ways. Sometimes when I sit where your Chairman is sitting, chairing the Committee for the Office of the First Minister and Deputy First Minister, which has the European portfolio, there is not the level of engagement that perhaps we as a society, as Northern Ireland society, should have in the importance of Europe. I sometimes feel that when people come over to talk to us from Great Britain—present company excepted—they need to be reminded that we have a land border with a eurozone country. It was useful in that engagement with the Prime Minister to remind him that we have this border, that it is several hundred miles long and it is effectively impossible to make it into a hard border. There is not going to be a Donald Trump-like wall put up, paid for by the Republic or not. Where will the border be if we need to have a harder border? The Prime Minister indicated pretty clearly that it would not be on the physical separation of Northern Ireland from the Republic but it is more likely to be at Stranraer, Cairnryan, Heathrow, Gatwick, our ports and our airports. That is a concerning issue for us.



These were some of the issues that we were able to tease out with him. As Unionists, we are very concerned by the quote from Nicola Sturgeon that if there is a UK Brexit but Scotland are for staying in that that would almost certainly—I think were her words, almost certainly—provoke a decision of hers to press the button for a second Scottish independence referendum. I am not naive enough to think that that is not the only opportunity she sees. There may be others, but that is the obvious and immediate one. As a unionist, do I want my fingerprints on that button when she presses it? No, I do not. These were some of the interesting issues that I think the Prime Minister did not necessarily have at the top of his agenda when we met him.

**Q299 Mr Hepburn:** Is there one single issue that you find of prime importance in this particular matter to the people of Northern Ireland that swung you?

*Mike Nesbitt:* I think there are three. The three big ones would be the existential threat to the future of the United Kingdom. The second one is the border—because I am old enough to remember travelling from here to Great Britain in the 1970s and gate 49 at Heathrow, where we were out there with the passengers travelling to Israel. The third one is the money, because I am in no doubt we are significant net beneficiaries in Northern Ireland of being members of the European Union. There has been a lot of emphasis on the impact on our farmers, but I think our voluntary and community sector would take a terrible hammering if we lost the European money.

There is also the fact that this institution here for the first time in the last Programme for Government tried to make a serious effort to draw down competitive funds. We have been perhaps over-dependent on PEACE money, the ring-fenced funding coming to Northern Ireland out of Brussels. There was a Programme for Government commitment in the last PFG to increase the competitive drawdown by 20%. On reflection, that was somebody putting their finger in the air to test the wind because it was very easily achieved. A 30%, 40%, 50% increase may be a more realistic target. Just when we are learning how to access those pots of money, it seems like the wrong time to be talking about coming out. Money, border and the future of the Union would be the three.

**Q300 Chair:** Would you be confident about Northern Ireland retaining the special status with regards to the EU, because none of it is guaranteed, is it?

*Mike Nesbitt:* No, I do not think anything is guaranteed and I think we did come reasonably close to losing our special status a couple of years ago. It is all debatable. The level of single farm payment is not guaranteed forever. PEACE IV I think was a surprise to many of us who thought PEACE III was the third and final instalment, so I do not think we should be thinking about PEACE V as a possibility. So, a lot of uncertainties.

**Q301 Jack Lopresti:** You said that you thought that the Prime Minister's deal was not good enough as far as it needed to go further and there needs to be further reform. Given the valiant efforts of the Prime Minister over recent weeks and months to get a decent deal, what do you think the game changer will be for him or a future Prime Minister to get better terms? I do not see what is going to change and in my mind the process demonstrates that meaningful reform within the EU is virtually impossible.

My other question is: why are you so pessimistic about our prospects if we are a free sovereign country again that can trade globally with the expertise and everything we have to offer here in Northern Ireland and down on the mainland?

*Michael McGimpsey:* As far as the Prime Minister and his deal is concerned, you never get up from the table thinking you could not have done better. I was in business all my life and I never did a business deal I did not think maybe I could have got a bit more if I had been more hardnosed, but you always have to leave something behind you for the other fellow. As far as I am concerned, and I am on record as saying that, whatever his deal was I am buying it, and I am buying it because I believe that the UK should be part of Europe, which leads me on to your other point: why do you think that the UK cannot do well outside? It could do well and there are lots of reasons why you can argue about that, but the EU at \$18.5 trillion annual GDP is the biggest economic unit in the world. The UK is the second biggest economy within that economy. After that comes the US at \$17.3 trillion, over a full trillion behind. China comes next, at 10.6, I think it is, or 10.3, so those are the big players in the world economy. Japan is down around 4.6 and the UK is sitting at 3. You are in a playground and you have all the big boys and Britain is one of the smaller players. In that issue or in that situation, you need friends and you need people to work with.

It seems to me that within the EU Britain is doing well. I think Britain is doing well. I think the EU has 20% of the world GDP. It has half a billion of a closed market for us and it is currently doing trade deals with other parts, including primarily the US. There are a number of reasons. Purely on the economics, I think that it gives Britain opportunities, influence, and it provides a prosperity that I think will be very hard to match outside. When you look at what is happening as well, these big conglomerates and China coming strong and so on, I think that Britain at 3 trillion GDP and a population of 66 million playing against Europe with half a billion or China with 1.3 billion or the US and its group with somewhere around half a billion, it is very hard to see in that sort of trading world how we can operate on an even footing.

Things might change. I do not believe that Britain is going to go bust. I think we will make a living and do well as a trading nation, but I also look then at Northern Ireland, at our farmers losing the CAP. I hear talk that the money could go up if the CAP goes, but nobody tells me where it is coming from or by how much and when. Then we also will be in this free trade UK and I remember what it was like in the UK before we joined the EU, as many of us do. It was a difficult trading situation for Britain, fighting over a tariff barrier to get into Europe, with free trade for food, for example, our farmers trying to compete with Argentinean beef and New Zealand lamb and Canadian wheat. They just could not do it.

There are a number of questions. What is going to happen on each of those issues? We have trade deals with 27 EU members. All of those are going to have to be disconnected as we get new trade deals because we are going to need them. How generous are they going to be to the UK? They clearly cannot give us a cash incentive or a trading incentive to walk out so there are going to be penalties. I am not clear what the penalties are, so it just seems to me status quo because you know what you are doing. Again, as I say, I was in business all my life and I will always have the view you do not change a winner and we



are on a winner at the minute. You may see sunnier things outside further up, but I just think that is something that is more questionable.

**Q302 Jack Lopresti:** I would say that we are doing very well—the world’s fifth biggest economy. Most of the European nations are struggling financially and stagnating. Again, I think we can strike new trade deals with lots of other countries outside the EU and maintain a trading link with the European Union. I do not share your pessimism.

*Michael McGimpsey:* Half our business is with the EU.

**Jack Lopresti:** Sure, and that would continue.

*Michael McGimpsey:* Why would it continue unless you get trade deals? You are going to have to go around each one of those and do deals.

**Chair:** Order. Questions and answers. Thank you, Mr McGimpsey.

*Michael McGimpsey:* All right. Yes, sorry.

**Chair:** We have brief sessions. Each one is only fairly brief, so we will move on to Gavin.

**Q303 Gavin Robinson:** Good afternoon, gentlemen. Mr Nesbitt, I think I heard you this morning on “Good Morning Ulster”—and if I paraphrase you can confirm whether the thrust is right or not—that nobody sensibly or credibly could accept anything other than Northern Ireland as a net beneficiary from the European Union. Is that a fair assessment?

*Mike Nesbitt:* Yes, financially, yes.

**Q304 Gavin Robinson:** What figures or sources do you have to back that up?

*Mike Nesbitt:* Goodness, I have not brought them down with me, Mr Robinson, but I think if you look at what is coming our way over the next multiannual framework, it is well over a billion. There is, of course, the PEACE money. PEACE moneys I, II and III are over €2 billion. I think there is a set of statistics that would say this is what we have got in. There was a House of Commons research paper—I think it was financial year 2008-09—that said the UK were financial contributors but Northern Ireland was something like 160 sterling or euro per head beneficiaries.

**Q305 Gavin Robinson:** I guess on the issue about sensibly or credibly, would you accept that Graham Gudgin, a former Ulster Unionist special adviser, is a sensible and credible individual?

**Kate Hoey:** He hesitated.

*Mike Nesbitt:* I have always considered Graham’s glass to be half-empty.



**Q306 Gavin Robinson:** Okay. Mr Gudgin was able to indicate in evidence to this Committee that the strength of the Northern Ireland economy and the growth in Northern Ireland's economy has reached a position of equilibrium, so what we contribute is roughly the same as what we get back, which is different from the rest of the UK but that there is no net beneficiary.

*Mike Nesbitt:* He is at odds with your own House of Commons research.

**Q307 Gavin Robinson:** You are indicating figures from 2008-09, admittedly, whereas he is focusing on the growth and the strength of the Northern Ireland economy. I just wonder, in the context of nobody has sensibly or credibly been able to suggest that Northern Ireland is anything but a beneficiary, whether the situation is much more positive. In this, Mr Gudgin's glass has a little bit more than yours.

*Mike Nesbitt:* I would suggest to you that we are in the territory of lies, damned lies and statistics. You are going to pull out whatever stats you want; I am going to pull out whatever I think is useful to my position. That, I think, is politics.

**Q308 Gavin Robinson:** Happily, this Committee is about gathering evidence, so that is what we are planning to do. You mentioned some of the operational issues that might arise around border controls. Would it surprise you that UKBA operate what you indicate may come after a Brexit now and that their operations are at Stranraer, Cairnryan, Gatwick and Heathrow?

*Mike Nesbitt:* What I was trying to indicate was the sense we got from the Prime Minister that there was every possibility that it would become a harder border, that it would be more like what I experienced in the 1970s travelling between here and Great Britain.

**Q309 Gavin Robinson:** Foot passengers are screened by UKBA going to Scotland but not coming from Scotland, and that is the same in vehicles as well, so that hard border does exist currently between Northern Ireland and the rest of the United Kingdom.

*Mike Nesbitt:* Well, it depends on frequency, I suppose, of which spot checks and security operate.

**Q310 Lady Hermon:** Apologies for being a minute or two late. I hope I am not duplicating earlier questions. Do you think this EU referendum debate will dominate the Northern Ireland Assembly elections?

*Mike Nesbitt:* We will be doing our best to ensure that it does not dominate the canvass leading up to 5 May because we believe 5 May should be about what is now nine years and two full mandates of Government led by two big parties of the Northern Ireland Assembly. For us, it is a very important issue but it should not be the defining one for who governs this country from 5 May in the next mandate.

**Q311 Lady Hermon:** Since the DUP and the Ulster Unionists have taken diametrically opposed positions on the EU referendum, is that a guarantee that there will not be Unionist

compromises and agreements and deals done on candidates running for the Northern Ireland Assembly?

*Mike Nesbitt:* There will not be deals done on running candidates for the Northern Ireland Assembly but that I think is because of the words of the First Minister and Leader of the DUP at her spring conference last weekend when she made clear that if you did not vote for the DUP you were likely to get Martin McGuinness as First Minister.

**Lady Hermon:** Which is scaremongering.

*Mike Nesbitt:* Those are your words, but I do not see how you can do any sort of political pact in the face of that sentiment.

**Lady Hermon:** Would you like to elaborate?

**Chair:** We are here to discuss the EU referendum, though, not the—

**Q312 Lady Hermon:** It is a close point though, but moving on, Chairman. The Secretary of State, Theresa Villiers, has made it quite clear that she appears to think that Northern Ireland will be much better off outside the EU, as part of the UK obviously. Have you had the opportunity to correct that impression?

*Mike Nesbitt:* We have not had the opportunity or requested the opportunity to discuss that matter with her. We see her fairly frequently to discuss matters with regard to the working of these institutions, but we have not had the European debate with her. I see no reason why she should not carry out her functions as Secretary of State and keep a Chinese wall between that and her views on European Union membership.

**Q313 Lady Hermon:** How do you maintain a Chinese wall when she has made it quite clear that she is opposed to the UK being a member and continuing to be a member of the European Union? How does that not affect her role as the Secretary of State for Northern Ireland?

*Mike Nesbitt:* I do not see how in a practical sense that would impact on her role as Secretary of State for Northern Ireland.

**Q314 Lady Hermon:** You regard it as being quite impartial for her to appear alongside those who are publicly campaigning, as is Boris Johnson when he visits Northern Ireland? It is all right for the Secretary of State to be with him, supporting him in her role as the Secretary of State, and Boris Johnson is very publicly campaigning in Northern Ireland for an EU exit?

*Mike Nesbitt:* We resolved our position on Saturday, which as you know is on balance in favour of remaining within the European Union, but also that individual members of the party would be free to vote for or against on 23 June. On that basis, how can we criticise the Secretary of State for taking a position that is for Brexit?



**Q315 Lady Hermon:** That is very interesting indeed. Moving on to the chief constable then, we know you have been told by the Prime Minister that the border is going to be firmed up—I think those were your words rather than mine, or maybe those were the words of the Prime Minister—along Stranraer and Scotland and England and Wales, presumably. That is going to be the harder border, though, as Mr Robinson has indicated, that probably is already the case. Have you had the opportunity to discuss with the Chief Constable, George Hamilton, his concerns or maybe his lack of concern if it came—

*Mike Nesbitt:* No, we have not discussed the European Union with the chief constable.

**Q316 Lady Hermon:** Since the border is one of the key issues that you raised, if I understood you correctly, with the Prime Minister, would it not have been sensible to have discussed this issue with the Chief Constable before meeting the Prime Minister?

*Mike Nesbitt:* Or the commissioner of An Garda Síochána?

**Lady Hermon:** I do not think I mentioned him.

*Mike Nesbitt:* No. Well, it could be equally argued, I presume, that it would have been sensible to speak to her. What we wanted to do was get a sense of the politics of it and that is why we went to the Prime Minister rather than to a police chief.

**Q317 Lady Hermon:** Have you any intention of discussing this issue with the chief constable, George Hamilton, not An Garda Síochána but with the Chief Constable?

*Mike Nesbitt:* I will certainly take that away and consider it, but if we are considering it I think it would be wise to speak to both.

**Q318 Lady Hermon:** Why is it equally important to speak to both?

*Mike Nesbitt:* Because it is a border that is policed on one side with the PSNI and on the other side by An Garda Síochána.

**Lady Hermon:** Thank you. That is really very helpful.

**Q319 Ian Paisley:** Mike, Michael, you are very welcome. Will the Ulster Unionist Party play any formal role in the remain campaign?

*Mike Nesbitt:* We have no intention of doing that at present. What we would like to see is a separation between the EU question and the Assembly elections. There may be a question of thinking about what happens between now and 5 May and what happens from 6 May through to 23 June.

**Q320 Ian Paisley:** Did the Prime Minister offer you any role or any resources if the Ulster Unionist Party joined the remain campaign?

*Mike Nesbitt:* Categorically not—not offered, not asked for.



**Q321 Ian Paisley:** In terms of any role, will any of your members be on platforms with remain between now and the campaign?

*Mike Nesbitt:* That would be for individual members. I know that there was a member who was keen to take part in the platform last Friday night when the exit campaign was launched. They decided that because that was so close to our executive meeting to decide our position that they would decline the invitation to be on that platform, but I would expect them to—

**Ian Paisley:** Your individual declined the invitation?

*Mike Nesbitt:* Yes, but next time they are perfectly free so to do, to take that opportunity, as are any individuals who want to be on the remain campaign.

**Q322 Ian Paisley:** You made it clear in the decision that you came to that money was very important to this in terms of making sure that Northern Ireland benefited and continued to benefit from its European association. You mentioned that the CAP, and I am sure you also implied the single farm payment, were very beneficial to Northern Ireland. Are you aware that farm subsidies in countries outside of the EU but those countries that are still in Europe have more generous and more targeted farm subsidy programmes?

*Mike Nesbitt:* Yes, and I think the important thing, Mr Paisley, is that if you look at what might happen in the event of the money not having to go to Brussels, you must ask yourself where is it likely to go. Certainly, we looked at a political map of the United Kingdom, where it is very clear that the Prime Minister is head of a political party that has its base in the south of England. You have to question in the realpolitik of the world is that where the money is more likely to go or is it more likely to come to Northern Ireland.

**Q323 Ian Paisley:** Do you know where the largest dairy farms are in the United Kingdom?

*Mike Nesbitt:* They are in Northern Ireland.

**Ian Paisley:** No, they are in the south of England.

*Mike Nesbitt:* Are they?

**Q324 Ian Paisley:** Do you know where the largest lamb slaughtering factories are in the United Kingdom?

*Mike Nesbitt:* Well, I am now going to guess the south of England.

**Q325 Ian Paisley:** Yes. Do you realise that UK farm businesses account for £20 billion of money every year and, therefore, the idea that farms would not benefit from the British Exchequer is really ludicrous?

*Mike Nesbitt:* If you are prepared to do something none of the delegates to our conference did on Saturday, which is to take my pen and say you will financially underwrite and



guarantee that no farmer in Northern Ireland was going to lose out in the event of Brexit, that no community worker is going to lose out and that no voluntary sector organisation is going to close because of Brexit, I think that would be a very telling intervention.

**Q326 Ian Paisley:** In terms of farming, I would certainly quote the Secretary of State at the weekend who indicated that she believed farm subsidies would not only continue but improve on a Brexit.

*Mike Nesbitt:* That is a belief. We are looking for certainties.

**Ian Paisley:** Certainties? Can you give me any certainty in politics? Is your silence no?

*Mike Nesbitt:* There is going to be a referendum on 23 June; there is a certainty.

**Ian Paisley:** No certainty in anything political.

*Michael McGimpsey:* No, I do not think that is true. I heard Theresa saying farm subsidies would go up. It surprised me because as a member of the Stormont House talks, Ian, there was not a halfpenny in her purse in those days, not a penny Northern Ireland is getting more than it needs, Northern Ireland is getting more than it should, and so on. Now suddenly there is extra money available. The question is: how much? Where is it coming from? Who is paying it? What we have now is the certainty of the money coming in from Europe, the single farm payment, around 300 million per annum. Our farmers could not live without that. You are offering or you are implying that not only is that going to be covered but we are going to get a bit more, so that is interesting. I think lots of people would like to know where that money is coming from and how much.

**Q327 Ian Paisley:** A very basic calculation would be that if there is £9 billion deficit that the British Government would automatically get back, under the Barnett formula alone we would get almost double what we get from Europe at the present time under the Barnett formula. We would be walking away with £600 million beneficiary alone.

*Michael McGimpsey:* That will be halved—

**Ian Paisley:** The Northern Ireland Executive obviously would then determine how that money is—

*Michael McGimpsey:* I do not agree with those figures there, the £9 billion.

**Ian Paisley:** Nine billion. That is how much extra we pay in and do not get back.

*Michael McGimpsey:* Our contribution is 18.5. Our rebate is 5, which takes us down to 13.5 and we get, I think, 4 automatically from Europe as we are going, so yes, we are around about 9. At 3%, there is 270 million.

**Q328 Ian Paisley:** No, I think you will find that the independent figures that we have certainly seen and which have been put in front of us are considerably more than that.



**Michael McGimpsey:** I am going by Barnett, which is we are operating at 3%; 3% of the population so we get 3% of Barnett.

**Q329 Ian Paisley:** Michael, in your answer you said that CAP had been very good for Northern Ireland. Do you believe the same for CFP?

**Michael McGimpsey:** I am not aware of CFP—

**Ian Paisley:** The common fisheries policy?

**Michael McGimpsey—**the common fisheries policy. I think you could get an argument from the fishermen that they would say no, it is not. They would be unhappy.

**Ian Paisley:** A disaster that has put 89% of fishing businesses out.

**Michael McGimpsey:** Well, I do know in Portavogie, which is my area or at least I live close to it, they are down by two-thirds the number of fishing boats. They are down from about 34 to I think about 10 or 12.

**Q330 Ian Paisley:** Pretty disastrous, and if you want more of the same just remain, is that really what you are telling us?

**Michael McGimpsey:** What I am saying to you, Ian, is, yes, but then again it is up to the local government or up to the UK when you are seeing that sort of impact to look to alleviate the impact, look to create jobs in areas like that to try to deal with that. I know there are funding streams coming into the Northern Ireland Executive to do exactly that. I could not tell you how many jobs Invest Northern Ireland has created in Portavogie over the last 10 years or in Kilkeel. I do agree that the fishing industry has suffered severely. I understand that that is as a result of the need to conserve fishing stocks. That will be done by a directive, I presume signed off by UK Ministers. The actual details I am not sure, but if you are in the Government, you have an issue and your people are losing—for example, your fishermen—then it is the responsibility of the Government to come back with proposals that are going to address that, whether it is investment for jobs, jobs training, and so on.

**Q331 Ian Paisley:** Mike, you have indicated that you are a good Unionist and to put your fingerprints to this would damage the union because Nicola Sturgeon says if the vote goes the wrong way she is going to have another referendum. Do you not think it is rather peculiar that you are relying on Nicola Sturgeon and Martin McGuinness who are going to vote to remain to protect the union?

**Michael McGimpsey:** I am going to vote to remain too, and the reason I am doing that is because I am a Unionist and I believe in the UK. I also believe that Northern Ireland cannot exist outside the UK, but I am worried about what is going to happen to the UK as a result of this push. Say, for example, we do get Brexit and the UK leaves Europe, that is a game changer as far as Scotland is concerned and as far as the conditions for Scotland's referendum and Scotland will—



**Q332 Ian Paisley:** Do you not think it is rather peculiar that you are really doing this—

*Michael McGimpsey:* I am answering your question, Ian.

**Ian Paisley—**to protect Nicola’s position in this respect?

*Michael McGimpsey:* I think the Brexit issue strengthens her position because it gives her another referendum. I worked with Nicola for four years when she was the Minister of Health and I was Minister of Health in Northern Ireland, and I have to say I said to my colleagues at the time it is lucky it is Alex Salmond who is leading them and not Nicola because things would be a lot tighter. I think you are looking at a strong possibility of another referendum and there is also a likelihood that she will win it.

**Ian Paisley:** There are no certainties.

*Michael McGimpsey:* If you will just let me finish the answer, Mr Paisley. As far as Northern Ireland is concerned, we are looking with the Irish Republic. Our trade with the Irish Republic is £2 billion per annum and rising and this is in an economy that is less than £30 billion GDP. We also then across the water have Scotland and, like you, where I live when I go to the hill behind my house I can see Scotland and that is how close Scotland is. The concern I have is Scotland leaving the kingdom, because Scotland can do it. If they leave the kingdom, Northern Ireland is sandwiched, in effect, ironically, us outside the pale. You have the Irish Republic inside the pale and you have Scotland inside the pale. Where will that leave Northern Ireland as an extended part of the UK, dependent? Yes, finances direct that we will go with the UK, but—

**Chair:** Sorry, we are almost out of time. Last question, Danny.

**Q333 Danny Kinahan:** I am really looking for a comment. I am very pleased to see you here, of course. The economists: we heard that Graham Gudgin was for leaving but there were two other economists there at the time. Their comment when we discussed it was the trade deals, how long would it take to get the trade deals that we exist in today still in place, and I think the answer became clear: five to 10 years. That is one angle I would like you to comment on.

The other was an Australian Lady Member of the Lords at a meeting I was at the other day said that when we joined the EU, the antipodes countries were pretty fed up with what we were doing and they thought, “If you think you are going to leave and come back in and trade with us, you can think twice.” I wonder what you have heard from businesses and how you feel about both those two comments.

*Mike Nesbitt:* I think the question of how long it would take to put into place trade agreements is a good one. Five to 10 years seems to be the going rate there.

On your second point, I think people trade because it is in their benefit and I am not persuaded that somebody is going to cut off their nose to spite their face just because somebody did something to them a long, long time ago. I think if there is benefit in trade people will trade.



Chairman, if I may, there was something that Mr Paisley said I would like to return to. I think his point is very well made about the CFP, and on Saturday one of the contributors at our party executive was a fisherman. He made the point that at one point he and his two sons had a boat each and because of the common fisheries policy three has become none. The two sons have had to diversify to find a way to put bread on the table. I say that because we are entirely conscious that Europe, the European Union, is not a 100% good thing for the people of Northern Ireland or the United Kingdom and our decision was an on-balance one.

**Michael McGimpsey:** I would say as far as trade is concerned, one of the best indicators for trade is foreign direct investment. The UK benefits roughly about a billion a year in foreign direct investment. Half of that is coming from the EU, roughly a quarter from the US and a quarter then from other countries. It gives you an indication of, again, job creation coming out of direct investment coming out of Europe. How is that going to be affected?

**Q334 Mr Evans:** Michael, the trade deficit between Germany and the United Kingdom is £27 billion. At what stage do you think the Germans are going to cut their noses off their faces just to spite the United Kingdom?

**Michael McGimpsey:** I think that what they will be looking for are jobs and finances in Germany and, yes, they are making a living. Are you telling me that, immediately you walk out, that trade is going to be threatened or that trade is not going to be threatened? I think you do not know. This is the unknown and it is because it is an unknown and you are asking us to take a jump from the known into the unknown. I can give you very good reasons in terms of the cash and the money why you have to be seriously careful—

**Q335 Mr Evans:** If I have £27 billion in my bank account, I know what I know and that is: Germany is doing rather well out of trade between the UK and Germany. I would want more of that. I would not say no to trade with the UK.

**Michael McGimpsey:** Europe is putting in half a trillion a year in foreign direct investment and I think that is a good deal, even allowing for the £27 billion.

**Chair:** Kate, last question. It will have to be the last one.

**Q336 Kate Hoey:** I slightly detect, and I am quite pleased about it, a slight nuance of difference between our two witnesses and I think that is good. I think one of the good things, would you agree with me, about this coming referendum is that it is going to get people from different political parties having to work together who have very different views. I was interested that you have given your party complete freedom to campaign as well as vote. Am I right?

**Mike Nesbitt:** Yes.

**Q337 Kate Hoey:** I am disappointed at the general feeling of lack of confidence that you have, not just in the UK to deal with what would happen if we left, but about Northern



Ireland itself and the Northern Ireland politicians, to be able to put a strong enough case to ensure that if we were to leave the EU, that substantial amounts of the money we are saving would still be coming to Northern Ireland. Is it a feeling that you do not feel confident as unionists that you could get the British Government of whatever political hue to support Northern Ireland?

*Mike Nesbitt:* I do not see it as a question of confidence. I see it as a question of the realpolitik of the political framework, the political map of the United Kingdom. I also think that certainly as a country and as a United Kingdom we will continue to survive whether we are in or out, but does anybody really think that if we come out the remaining 27 member states are going to sit around the table and say, “You know what, we had better give the UK better trading arrangements than we give ourselves”?

**Q338 Kate Hoey:** But you are aware that we trade less and less every year with the EU and we are trading far more with other parts of the world?

*Mike Nesbitt:* Yes.

**Kate Hoey:** That will not stop.

*Mike Nesbitt:* That is a current position. That can change. It is a 500 million market in terms of people that we sell to, buy from.

**Q339 Kate Hoey:** Your attitude really seems to be—am I right in summing it up?—there is too much uncertainty; we do not like what we have; we think we can reform it but we know deep down we cannot; however, we are not prepared to take the leap of faith in the country being an independent country.

*Mike Nesbitt:* No, I would say I think that your first summary is correct. There is a huge amount of uncertainty should we come out, but I am confident that the negotiations—or, sorry, that the reform, not the negotiations, by the UK can continue. It is not just the UK that is now thinking about reform. There are other elements within the 27 other members who are now saying, “Prime Minister Cameron is on to something and let’s look at it.”

**Q340 Kate Hoey:** You really think there could be fundamental reform of the European Union the way it is currently constructed?

*Mike Nesbitt:* I think there can be further reform. I think there will be a further return to the founding principle of free trade rather than political union.

**Chair:** Okay. We have slightly gone over time but thank you very much for a useful session.

*Mike Nesbitt:* Thank you.

**Chair:** Thank you very much for joining us. We will move on to the next session now.

### Examination of Witnesses

Witnesses: **Declan Kearney**, National Chairperson, Sinn Féin, **Paul Maskey MP**, Sinn Féin, and **Megan Fearon MLA**, Sinn Féin, gave evidence.

**Q341 Chair:** We will move straight on. Thank you very much for joining us. I understand you would like to make an opening statement to kick us off.

**Declan Kearney:** Yes.

**Chair:** Yes, just a brief one, please.

**Declan Kearney:** Thank you for having us this afternoon. You are all very welcome. Fáilte go hÉirinn. Sinn Féin believes that this island place is in Europe and that the local region place is also in Europe. It represents for us a combined market of 500 million citizens for our exports. Membership, in our view, of the EU trading bloc also gives us access to Asian and other global markets as a stepping point. Brexit would be opposite to the interests of local people in the north. The combined financial loss of EU investment subsidies, funds, transfers to the north of Ireland and the southern border counties over the next four years arising from a possible Brexit could be in the region of £3.5 billion.

In our view, Brexit would result in a myriad of serious and far-reaching consequences and they would include a number of factors: the prospect of reinforced partition and a hardening of the division between north and south with the potential knock-on effect for customs checkpoints, trading tariffs and adverse knock-on effects for all island economic activity. It would involve the loss of EU structural funding, which has been central to small-medium enterprise development community regeneration here in the north and government programmes. Thirdly, there would be untold damage to the agro-economy and the potential loss of common agricultural policy, single farm payments and similar financial supports for the fishing industry. Fourthly, the undermining of the north as a region that would be attractive to foreign direct investment. It is worth noting that since 2006 the local Executive has successfully secured and promoted 27,000 inward investment jobs. That is as a direct result of our relationship with the European Union. Most of that employment has come from North America. Then parallel with that, there has been a secured plan of investment of £3.25 billion. Lastly, there would be negative impact, in our view, upon local business and the potential for growing the private sector and promoting enterprise and growth. We have estimated that during the period between 2007 and 2013, approximately 10% of the north's GDP was estimated to be reliant on EU funding and transfers.

There is a view, there is a narrative, that a Brexit would be in the interests of the north. Some have said that the Brexit position and our membership is a net cost. We do not accept that view. We believe we are net beneficiaries of our relationship with the European Union. From 1995 onwards to the present moment in time, the six counties and the border counties here received €5.64 billion in structural and PEACE fund contributions. That does not include social fund payments and transfers. The fact is that





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this British Conservative Government has already reduced the north's block grant by hundreds of billions of pounds. When I asked Theresa Villiers recently would the Tory Government be agreeable to replace funding that would be lost to the north as a direct result of Brexit, she refused to answer. Of course since then, Theresa—

**Kate Hoey:** Sorry, Mr Kearney, you keep referring to “the north”. You mean Northern Ireland or in Donegal? Donegal is the north to me.

**Chair:** Order.

**Declan Kearney:** Since then, Theresa Villiers has obviously come out and declared her own interest as a leading pro-Brexit campaigner. We believe that the fate of the six counties matters little to those who would promote a Brexit agenda. The exit agenda is entirely bound up with the internal management of political and ideological tensions within the British Conservative Party, and it is motivated by a Little Englander perspective, and it is driven by isolationist thinking.

We believe that there is much within the European Union that is imperfect. Sinn Féin wants to see a greater primacy and emphasis placed upon growing the social Europe agenda. Europe has been very important in terms of workers' rights, gender equality, democratic and human rights. It is important to register, as I conclude, Chair, that the European Union has played a very central role in the development of our peace process here. It has been a key support for our political institutions and the rights that have been defined in the context of the European experience have directly influenced the character and architecture of the Good Friday agreement. Support for remaining within the EU is widespread across our society. It is in the interests of all sections and sectors of northern society and it is in Ireland's national interests. The Brexit agenda should be opposed by a broad-based political and civil platform by making the positive case for EU membership in terms of co-operation, solidarity, economic growth and prosperity. Thank you.

**Q342 Chair:** Thank you for your statement. Correct me if I am wrong—and I may be wrong—has it not been Sinn Féin's position, for example, in the Republic of Ireland on a couple of occasions to oppose the new treaties that were brought forward? Has that been your position?

**Declan Kearney:** Yes.

**Q343 Chair:** Is this just one step too far, as far as you see? Why do you have a different position now to then?

**Declan Kearney:** Sinn Féin's consistent position has been one of political engagement. As I indicated in my earlier remarks, we have identified significant imperfections within the operation and the governance of the European Union, hence our opposition to treaties that have been brought forward. The reality is that those treaties have passed. Were Sinn Féin to move into Government, then we would seek renegotiation of those treaties in those circumstances, but all of that is entirely consistent with the position that we have



strategically, politically and economically. This region and this island's place is in Europe. We will continue to benefit and prosper from our relationship within the European Union. To be removed from the European Union, in our view, would be to all our disadvantage.

**Q344 Lady Hermon:** I am very grateful indeed that once again Sinn Féin has agreed to come and give evidence before a Westminster Select Committee. I do appreciate that.

Mr Maskey, you do not take your seat at Westminster. You have three colleagues, Sinn Féin MPs, who do not take their seats. Despite the fact you do not take your seats—I am curious, because I just do not know the answer to this—do you meet with the Prime Minister? Does he invite you into Downing Street and discuss his negotiations or renegotiations of the relationship with the EU?

*Paul Maskey:* I personally have not met the British Prime Minister, but I know my party colleagues have and Martin McGuinness has on a number of occasions. I think that was probably one of the problems of the last term, that Martin McGuinness had met President Obama more often than he had met David Cameron, so that shows you the extent of it. But we use our posts very carefully and very strategically, whether that be an MP, MLA, TD or an MEP, for that matter. We will go and meet with whoever we need to meet with to ensure our lobbying and the strength of our party is that we will take that forward very strategically. That is what we do and that is what we have always done.

**Q345 Lady Hermon:** I find that reply very odd, because of course it sort of contradicts what Mr Kearney has very definitely put on the agenda, and that is how pro-Europe Sinn Féin is. Therefore, in the negotiations with Europe before David Cameron signed off the deal, I would have thought and I would have expected Sinn Féin MPs to have demanded a meeting to put forward Sinn Féin's views.

*Paul Maskey:* Collectively we do, as a party. We do not operate in silos like other parties do, so we do it very strategically, as I said, through my comments there. That will be through Martin McGuinness's officers, the Deputy First Minister here, Martina Anderson, as our MP here in the north, or any of our other active representatives right across this end. We will do that on a strategic basis and that is how we operate as a party, because that is where our strength is. We do not need to do that as individuals. We do not have the egos for ourselves.

**Lady Hermon:** I am not in any party, so I cannot—

*Paul Maskey:* I appreciate that.

**Q346 Lady Hermon:** Could you tell the Committee how many meetings your senior leadership—the Deputy First Minister and, indeed, the leader of your party—have had with the Prime Minister over this issue, since Sinn Féin's views are very strong on continued membership? How many meetings have you had with the Prime Minister to put on the record your support for continued membership of the EU?

*Paul Maskey:* David Cameron will know quite well our party's position on Brexit and on many other issues, because obviously there has been meetings in the past and there will be

meetings in the future with regards to it. Last week we met, for example, with Jeremy Corbyn.

**Lady Hermon:** He is not the Prime Minister. He is definitely not the Prime Minister.

**Paul Maskey:** But what I am saying to you is that we will do a wide range of meetings, including leaders of other parties, right across these islands and we will do that constantly to put our concerns and our fears, that if, for example, the Brexit becomes a reality we have massive concerns, as our party chairperson has just read out.

**Q347 Lady Hermon:** Yes. Were you surprised that Theresa Villiers, the Secretary of State, remained in post, having such strong views about coming out of the EU? Were you surprised by that? Have you conveyed your views about her stance and her continued role as the Secretary of State for Northern Ireland? Has that been expressed by Sinn Féin to the Secretary of State?

**Declan Kearney:** Yes, it has, directly.

**Q348 Lady Hermon:** Who would have conveyed that message among the leadership?

**Declan Kearney:** Martin McGuinness.

**Q349 Lady Hermon:** Are you able to tell us her response?

**Declan Kearney:** Her position is that she remains the Secretary of State for as long as the British Government continue to keep her in that position, but I have had direct engagement myself in the public arena with Theresa Villiers on this issue. I have asked her does she consider that the prospect of a Brexit would be in the interests of people in the north. She fudged that question and refused to answer. I then asked her would her Government commit to ensure that the level of subsidies, payments, grants and transfers that would be lost to the north as a result of a Brexit would in fact then be underpinned with additional funding from the British Government and she refused to answer that question also. Subsequently then she declared her own hand as someone who was anti-Europe and in favour of the Brexit campaign.

**Q350 Lady Hermon:** You may have noticed a few weeks ago in the *Belfast Telegraph* that Malachi O'Doherty had a very interesting article where he talked about the Belfast agreement, the Good Friday agreement, and the guarantee of the identity of those who are nationalists, those who are republicans within what you would describe as the Good Friday agreement and I would describe as the Belfast agreement, but it is the same agreement. The main point of his very well-constructed article, I have to say, was he felt that if the UK was to vote to come out of the EU in the referendum, the nationalists and the republicans would find their identity undermined, as guaranteed to them on how they interpret the Belfast agreement. Is that an accurate reflection of the views within the republican community?



**Paul Maskey:** Yes, and there is a lot of concern out there with regards to that. I suppose one of the benefits of being an abstentious MP is that you get quite a lot of time to spend in your own constituency, to meet with your base and to talk with people.

**Lady Hermon:** Yes, which is what I want you to reflect to the Committee.

**Paul Maskey:** That is what I am doing. I think it is very important there that you are taking your concerns on board. I think our party were the first party here in the north that held a media conference and brought many stakeholders from different backgrounds together. Martina Anderson hosted that at the Balmoral Hotel many weeks ago. It was well attended, and I was listening to concerns and views of industry, the community, business people, and our farming community was there. I obviously set out our stall but also listened to the views of many people. Those views that we have listened to over the years are telling us that it would be wrong to pull out of Europe and I think that is a big, major concern. There is a concern there and we will take that and we will listen and talk and debate with people. We put our own views on the table as well and I think that is how we come up with our own decisions.

**Q351 Lady Hermon:** Are you are talking about a cross-section of age and gender of the people who attended this meeting? Are old and young and men and women equally very agitated or interested in this?

**Paul Maskey:** Absolutely. Yes, there was a wide range of people. The hotel was absolutely jam-packed. As I said, there was a wide range of people: male, female, business community, community sector, right across the farming community as well, all in attendance, all on the same side of us on this argument. I think that we certainly came away from that meeting that particular day saying, “We are right.”

**Q352 Lady Hermon:** Came away from the meeting saying that Sinn Féin’s view was staying?

**Paul Maskey:** What we are facing on the Brexit issue, yes.

**Q353 Mr Evans:** Good afternoon. When you look at the deal that David Cameron came back from Brussels with, how do you judge it?

**Declan Kearney:** In our view, David Cameron’s approach to negotiating new terms with Europe have more to do with how he manages and massages the tensions within his own party as opposed to attempting to enhance the social Europe agenda, which is clearly something we would advocate strongly in terms of European reform. In the final analysis, the fact that David Cameron is now going to argue on 23 June to remain in Europe will be done from a different perspective than Sinn Féin will argue or indeed perhaps the Ulster Unionists will argue, the SDLP, the Alliance Party here in the north, or other sectors and sections of our community here on the island. In that sense, David Cameron will seek to get a deal to try to ensure that he carries the majority of his own party with him, but in political and strategic terms David Cameron’s agenda is not our agenda in relation to remaining in Europe.

**Q354 Mr Evans:** As far as the deal is concerned, do you think that the deal that has been achieved, irrespective of what you have just said, is in the best interests of the people of Northern Ireland?

**Declan Kearney:** The best interests of the people in the north are going to be served on the basis of ensuring that we continue to enjoy the access to the European funding that is currently available to the trading routes, the export opportunities, the manner in which we are networked into that huge trading block, 500 million citizens, and the jumping point that that gives us to access further export and trading opportunities in the global economy. That is the perspective that we bring to it. I am not going to assess the benefits of our remaining in Europe on the basis of what David Cameron has managed to secure from a sectional party point of view.

**Q355 Mr Evans:** Okay, that is fair enough. As far as trade is concerned, and I guess it gets to the root of Project Fear, do you consider it even the remotest possibility that if Germany were to spite the United Kingdom for leaving the European Union, if the British people choose Brexit, that they would jeopardise the trade advantage that they have with the United Kingdom of £27 billion?

**Declan Kearney:** The other side of a Brexit throws up so many uncertainties that I think it is impossible to try to gainsay what the net consequence would be, either in terms of maintaining diplomatic relationships, economic relationships, what would be the character of Britain's relationship with the rest of the single market by stepping outside the European Union. I think in many respects all bets are off if a Brexit occurs. Then we are into the land and the territory of the unknown.

**Q356 Mr Evans:** Yes, but don't you think that Mercedes are going to be the first to knock at the door of Angela Merkel and say, "Chancellor, you had better make absolutely certain we get access to the British market. They buy far more of our cars than we buy of theirs"?

**Declan Kearney:** Repeat your point, sorry.

**Mr Evans:** It is in the interests of Germany, quite frankly. Are they going to jeopardise hundreds of thousands of jobs in Germany that are dependent on having free trade with the United Kingdom?

**Declan Kearney:** One would assume not, given the significance of the Germany economy within the continent of Europe. It is the most successful and healthy economy at this particular point in time, so the German Government will make their own decisions on the basis of what emerges on the other side of this referendum.

**Q357 Mr Evans:** Finally, we have had two full weeks of the referendum campaign, if I can call it that. How are you judging it so far?

**Declan Kearney:** I think there are two things going on. There is the debate in Britain and then a significant and developing debate here in the north and in fact right across the island. The debate in Britain has clearly given a significant platform to a Brexit campaign,



which seems to be quite fractured. There are many different interests at play in relation to that. I think the jury is out as to whether they will successfully get their act together and develop a more cohesive campaign to win the argument.

In terms of the campaign to remain in Britain—and this is an assessment I am making from this side of the Irish Sea—the traction appears to be in terms of the vocal nature of the campaign to be with those who are arguing for an out position, but the counterweight to that is that I think the argument for remaining is much more coherent, albeit that I do not think that it has developed the same momentum as the campaign at this particular point in time. Here in the north we have seen the development of quite a significant amount of debate and discussion on this issue in the course of the last period of weeks.

Many citizens are engaged with the issue. For example, I canvassed on Saturday, just last weekend, and I raised the issue of the referendum on every door that I visited. There was not a home that I visited that did not indicate an awareness of the referendum and the significance of that for their place. These are people who are unemployed, employed, small business people and others. The intriguing aspect of the debate on the other side of the Irish Sea I think is how it will develop in the context of Scotland's relationship with the rest of the British state and I detect a very significant momentum here in the north in support of remaining in Europe in opposition to the demand for Brexit. There are many indications that there is a similar momentum in favour of remaining in Europe in Scotland. While my own contacts with people in Wales would not be to the same degree, either in political or civic terms, as in Scotland, there are clear indications that there is a growing sentiment, an existing sentiment, within Wales that would be in favour of remaining in Europe. I think that throws up a very intriguing prospect that the citizens of the north, Scotland and Wales would in fact vote in favour of remaining in Europe. Then depending on what happens in England, the potential for the decisive influence over remain or leave resting with the majority, combined of the north, Scotland and Wales, with clearly a significant vote in favour of remaining in England, but I am not in a position to estimate whether the vote in England will be in favour of or against staying in Europe.

**Mr Evans:** I cannot help you.

**Q358 Gavin Robinson:** Thank you all for attending this afternoon. When you mentioned that the Deputy First Minister had raised his concern with the Secretary of State about her position on Brexit, was that because you do not believe the Secretary of State is entitled to a view or you just do not like her view?

**Declan Kearney:** No, it is a matter of public policy. If the greater number of citizens and the larger number of political parties here in the north have a position in favour of remaining in Europe and the person appointed to represent the interests of the British Government here in the north has a position that runs counter to the greater number of citizens and political parties who represent those citizens here in the north, clearly there is a contradiction. It is not about the person or the person's individual political views. Theresa Villiers is clearly entitled to have whatever view she wishes to express on this matter, but nominally her responsibility as Secretary of State for the North is to represent the interests of citizens in this part of the island. When I put the question to her on David Dimbleby's "Question Time" programme, did she consider that a Brexit would be in the net interests of people in the north of Ireland, she failed to answer that question.



**Q359 Gavin Robinson:** Yes, but now that she has asserted her position, then we can assume she does believe it is in the interests of the people of Northern Ireland. Is she entitled to have that view?

*Declan Kearney:* Of course she is entitled to have that view, but when it comes—

**Q360 Gavin Robinson:** But is she not entitled to have that view without fear of criticism or calls for resignation, and that she is equally as entitled to have that view as the Shadow Secretary of State for Northern Ireland is in having an alternative?

*Declan Kearney:* She is entirely valid to have whatever view she wishes. However, she is tasked with a governmental responsibility, and if the Government responsibility is in inherent contradiction with what is in fact in the interests of people here in the north, then of course she is entitled to be criticised.

**Q361 Gavin Robinson:** It was in the interests of the people of Northern Ireland that NCA operated, for example, but despite the overwhelming majority of the views of people in Northern Ireland and political parties, you took an alternative view. Is she right in those circumstances?

*Declan Kearney:* I think you are confusing apples and oranges, Gavin, and the bottom line is: is she entitled to have the position that she has? Yes, democratically she is entitled to subscribe to that view.

**Q362 Gavin Robinson:** Was it wrong to ask her to resign?

*Declan Kearney:* No, of course it was not. It was perfectly appropriate to raise the question as to whether the British Government representative here in the north of Ireland was taking a position that was counter to the interests of people here, entirely appropriate to raise that issue.

**Q363 Gavin Robinson:** Albeit there is a different view as to what is in the best interests of Northern Ireland?

*Declan Kearney:* Absolutely, which is why I qualified my remarks by pointing out that now, with the exception of your own political party and perhaps some other extreme unionist parties, some small extreme unionist parties, most the political parties here in the north who represent citizens in this part of the island have said, “We believe collectively our position is to remain in Europe.”

**Q364 Gavin Robinson:** Were you wrong to ask her to resign?

*Declan Kearney:* No. I have already explained that.

**Gavin Robinson:** Do you believe that she should still or have you qualified that?



**Declan Kearney:** At the end of the day, that is going to be a matter for the British Government. They will have to sort that out and that becomes another one of those tensions and contradictions that David Cameron, God love him, has to sort out within his own party.

**Q365 Chair:** How you would view it if there is a vote for Brexit though? Isn't it rather the other way around then and wouldn't Ministers rather struggle to stay in office under those circumstances?

**Declan Kearney:** Just repeat your question, Laurence.

**Chair:** If there is a vote to leave, doesn't it put those Ministers who campaign so strongly to stay in in a difficult position? Doesn't the whole thing turn around then?

**Declan Kearney:** In the British Cabinet? Again, these are difficulties for the British Government to resolve for themselves and I would not like to be in David Cameron's shoes at this particular point in time.

**Dr McDonnell:** There is a lot of very treacherous people.

**Q366 Danny Kinahan:** Very good to hear your point of view. What do you feel of the Project Fear? It does seem that we have two sides and each in fear of each other rather than getting to the facts. Do you think we can get the facts more centre?

**Declan Kearney:** I think it is essential that we do. The facts are there to be explained if the space can be created in order to have a clear-sighted and considered public debate. That, in Sinn Féin's view, is now what needs to be facilitated. We have a date, there is a focus, there is an increased public consciousness around this issue, and what we need to do is ensure that the public discourse is informed. Project Fear, either from a Brexit perspective or an anti-Brexit perspective, is no aid to reasoned public debate.

**Q367 Danny Kinahan:** Thank you, and I agree entirely. When you were presenting your case at the beginning, you spoke of resources going to the social and to the communities and others. Would you like to expand on the figures on that, of what we get from Europe?

**Paul Maskey:** Over the last 21 years with regard to the European monies that have come, the PEACE monies, I think it has been somewhere in the region of over £5.5 billion. I think it has been a very substantial amount of money that has come in. Could you have done with more? You could always do with more, but if I look at the projects that have been done, and the building, for example, in Gavin's own constituency, I think it is a very positive step in the right direction for east Belfast, but also linked with that change on the rest of it, because a lot of PEACE building has been done. I look at even some of the urban areas with regards to the number of community initiatives that have been taken forward over the last 20 years, which have been second to none and have helped massively with regard to the peace process. I look at some issues, for example, with loyalist ex-prisoners, who are doing tours across the city of Belfast, republican ex-prisoners who are also doing tours for tourists who are coming into their city. It is massive, and that is about people





working with each other, people talking to each other. Part of those tours is that a loyalist ex-prisoner could hand the tour over to a republican ex-prisoner in Belfast, and I think that is a massive sign of hope in looking to the future.

I was there in all the peace-building and I suppose I was quite partial to the money that was coming for that. I was making sure that people were telling their own stories and telling them quite positively, moving them forward into the future in a much more positive manner, bringing young people along. When I look at the studies right across the north with regards to the amount of money that has come in, about the positive projects that have been delivered and are still being delivered to this day, we are benefiting massively from it still to this day for even some of the projects that took place 20 years ago. Those relationships have been built up and sustained and I think it is about sustaining the peace process. That is the importance of the some of the PEACE dividends—the PEACE initiative that came from Europe.

**Q368 Danny Kinahan:** Do you think we can rely on more funding into the future from Europe?

*Paul Maskey:* I would like to think we could and I would like to think collectively we can go to Europe together. We have three MEPs here from the north alone, and collectively they have worked very well on arguing and lobbying for additional resources and additional monies for this part of the world. I think they have done that successfully and I have no reason to doubt they would continue to do that in future.

**Lady Hermon:** Yes, we have not heard your voice.

*Megan Fearon:* I know. I was going to say that, in addition to the social funds that we have benefited from, when you look at the common agricultural policy and the single farm payments, the reality is that if we were not to receive those our agricultural industry would be in the red, farm businesses would not survive and it would lead to massive job losses. In terms of trade, in that arena as well, the worst-case scenario is that all our produce would be subject to import tariffs. We do not know what the best-case scenario is. One of the difficulties is that there is so much uncertainty around this, but it would definitely devastate our agricultural and the agrifood industry, which has seen substantial growth over the last number of years. We benefit hugely from them and the amount of devastation if we lost them, particularly in light of the area that I represent, which is Armagh. It is a border county, which again is another element of this. To state the glaringly obvious, we share a land border with the rest of Ireland and to a large extent the partition is almost invisible at the minute, but if we were to see that harden and reinforced, it would just create more problems.

**Q369 Danny Kinahan:** Do you see it easier to spend the money that we get from Europe than it is trying to make deals at the top table in Stormont and spend the money there. We have failed to spend half the money we got there? Of the £80 million, we only spent £12 million. Is it easier to spend, despite our system?

*Paul Maskey:* There is no doubting it, and if you ask many of the community groups out there who have received funds from Europe over the years, they will tell you that there



was a lot of bureaucracy with it as well, but they have worked with that and they worked very cleverly on that to reduce some of the red tape that has been coming in. This money has been spent and it is money, in my view, that has been spent very well. With regards to Stormont, I am not sure about the £80 million, I take it that is the social investment fund you are talking about there?

**Danny Kinahan:** Yes.

**Paul Maskey:** I know in my own constituency, for example, there is 300 jobs being created through the social investment fund, where the local groups and local steering groups have come together to work their way out on the money. I know in west Belfast we see somewhere in the region of £12.5 million. That is hitting the ground now as we talk and there are already about 300 people who are in employment. There is somewhere in the region of 70% that already have those jobs, so I think things are working in the right direction even for that money to be spent as well.

**Q370 Danny Kinahan:** Do you see exit as threatening the peace process if we pull out?

**Paul Maskey:** I suppose you always have to try to sustain the peace process. That is part of the workings of the peace initiatives and Europe have also assisted on that. I think one of the things that Europe has done for us is it has opened the doors right across Europe, but it has also opened doors for us right across the world to learn about the peace process and take the peace process forward. If we can do anything to sustain that, then I think it is worth continuing on with it on that basis. Whether it is a threat to it or not, I do not know, but I certainly want to see it as a more progressive step in the right direction.

**Q371 Ian Paisley:** Thank you very much for giving evidence as well. Do you see any formal role for Sinn Féin on the remain campaign?

**Declan Kearney:** Yes, in the sense that we will lead our own campaign, we will make the positive arguments. We will avoid descending into the negativity of Project Fear and argue in a reasoned way why it is in the interests of every section of our community and every sector within our society across the civic, economic and social spheres. Where the remain campaign locally will benefit from is an increased convergence in and around the positive arguments and it certainly would be an ambition of Sinn Féin that a broad civic and political platform would emerge, making the same arguments in favour of remaining as a counterpoint to the arguments that would be advanced for coming out of Europe. But Sinn Féin does not see itself taking a lead responsibility or taking proprietorship of that type of an initiative. It is much better that it is organic and that many sectors and sections of society come to that position.

**Q372 Ian Paisley:** So you see yourself potentially on the same platform as David Cameron and Mike Nesbitt, maybe even Nicola Sturgeon, making the case to remain?

**Declan Kearney:** When I answered Gavin's question earlier on, I made the point that just because David Cameron is now taking Sinn Féin's position in relation to remaining in Europe does not mean—



**Ian Paisley:** Not when you say it like that.

**Declan Kearney:** Well, we were there before remain.

**Ian Paisley:** I do not think you were.

**Declan Kearney:** He had definitive discussions with Donald Trump before he could make his mind up. But on a serious point, just because David Cameron is taking the same position as ourselves does not mean that we are arguing that position for the same reasons or from the same perspective.

**Q373 Ian Paisley:** But in principle, if there was a shared platform for remain and you were asked to share the same platform as a British Cabinet Minister, or indeed the Prime Minister, you would share the campaign?

**Declan Kearney:** I do not see that prospect arising.

**Ian Paisley:** Neither do I, but I am just asking to hear the words. I will put you out of your misery and say neither do I.

**Declan Kearney:** Thank you, but what I can say—and I think this would be of net benefit—is the Executives of the north, Wales and Scotland having a much closer dialogue about how we could, as regional governmental structures, bring forward the positive case for remaining in Europe and that is something that is worth exploring.

**Q374 Ian Paisley:** I am going to ask some questions seriously. You have to cut the flannel a wee bit here, and I am just delighted you are comfortable being a unionist with regards to the union, to make a serious point as well. But the EU, which you are going to campaign to remain in, you will accept is an EU that has been reformed by many treaties, whether it is Maastricht, Lisbon or the Single European Act. It has all been reformed by treaty so that the post-Lisbon EU, which we are now in, is an EU that in September 2009 your leader, and also Mary Lou McDonald in the south, said that it is an EU that, under article 25, is going to lead to more military spending; it is an EU that is going to crush small family farms—I am quoting directly from her 15 September 2009 statement—it is an EU that is going to hinder better workers' pay. You are asking us to vote to remain in a union that is going to have more military spending, crush small family farms and be hard on workers. Why are you doing that? Why did you change your position or why, as some people have said, have you been treacherous?

**Declan Kearney:** What we have said consistently is that there is a need for a critical engagement with the European Union. It is an economic and political reality. It is part of our lives. Sinn Féin is concerned about the increasingly federalist tendencies that have an influence over the direction of the European Union and the direction towards militarisation and included in that the implications that all of that has for the sovereignty of member states. When you take those facts and set them out as debits alongside what we would consider to be the positives and the credits, then in our view there is more to be gained from remaining in Europe, notwithstanding all of its imperfections and the jeopardies that you have referenced, because it is not all bad and it is not all good. The influence of the European social charter and the significance of that for gender equality issues, human



rights, disability rights and democratic rights in our view is in fact a relationship that it is worth fighting for and seeking to build upon and improve.

**Q375 Ian Paisley:** I am just amazed you said, “It is not all bad.” Mary Lou McDonald—again I quote her from 15 September 2009—said this treaty is now, “A bad deal.” That was the headline: “A bad deal”. You are saying it is more a curate’s egg; it is not all bad.

**Declan Kearney:** No, I am speaking about the European Union, in fairness.

**Ian Paisley:** That is post-Lisbon EU.

**Declan Kearney:** Yes, and what I said is because one of the other members raised a question about our opposition to previous treaties. That is correct, Sinn Féin has opposed previous treaties and it will in all likelihood, depending upon what may come down the track, take a position of opposing future treaties. In Government, Sinn Féin would seek reform and amendment of treaties that we felt ran against the interests of working people, of small business people and of member states. So there is no contradiction in taking a position of opposition to treaties that are being brought forward by the European Union and at the same time arguing for this region and this island to remain in Europe in order that we, along with others, can try to mobilise greater influence that would be to greater net benefit economically and socially to the interests of citizens, not just in this part of Europe but across Europe.

**Q376 Ian Paisley:** If you vote to remain, there is not going to be a negotiation, so how are you going to get these negotiations?

**Declan Kearney:** I said in the event that Sinn Féin found itself in Government in the future—

**Q377 Ian Paisley:** But you are in Government at the moment: you are in Government for Northern Ireland.

**Declan Kearney:** Yes, we are in Government here in the north. The difficulty with the position that the British Government is taking is that it is out of synch with, in our view, the opinion of the greater number of citizens here in the north of Ireland. It is a contradiction of a British Government, a Little Englander mentality being driven by Tory Party interests, effectively trying to set the destiny for the people of Scotland and for the people here in the North of Ireland and clearly the two are not one.

**Q378 Ian Paisley:** No, you are at the hip of the British Government. You both are campaigning to remain in the Union.

**Declan Kearney:** For entirely different reasons.



**Q379 Ian Paisley:** It does not matter. You are joined at the hip because the destination is remaining in the Union. Once you vote to remain, there is no further negotiations. It is over. That is the end of the negotiation process.

*Declan Kearney:* In relation to what David Cameron has been attempting to do, but, you see, David Cameron is the guy that opened this up in response to the demands within his own party and in reaction to the rise of English nationalism in particularly south-east England. That has been the momentum that has led us into—

**Q380 Ian Paisley:** Be fair. Let us be fair to all English parties, the proposal to have a referendum on the manifesto was since at least 2003.

*Declan Kearney:* Okay. But that is what has taken us into this scenario now, so let us get real about what it is we are dealing with. We are dealing with interests that are operating counter to the greater interests and needs of citizens here. The two are at sixes and sevens. This is apples and oranges. What the English nationalist mind-set in south-east England is looking for in Europe is entirely counter to the greater interests of citizens in Scotland, here in the north or in Wales, and in my view, the greater interests of working people and small business people in England and across the English state itself.

**Q381 Ian Paisley:** Yes, but you are campaigning on the same campaign and you are going to, hopefully in your view, remain. You do accept at that point there is no further negotiation?

*Declan Kearney:* No, I do not. Of course not. David Cameron opened up a negotiation that was entirely bound up with how he would manage the internal interests of his own party.

**Chair:** Okay, we will have to move on in a minute. Is that okay?

**Q382 Nigel Mills:** I was just going to come back to this feeling that you are now our second panel of witnesses who have come to the conclusion that people should vote in, even though they do not like it, in the hope it might change at some point in the future. We have one side saying, “Vote in, it will be back to free trade and less political centralisation,” and you are saying, “Vote in, even though it is bad for workers and small businesses.” Is that not a rather strange way of inspiring people into a campaign?

*Declan Kearney:* If I could turn that around, then I think it is much more important to recognise how much worse we would be with the prospect of a Brexit. I am conscious that the argument needs to be one in a reasoned way, where we do not descend into the negativity of Project Fear one way or the other, but empirically, all of the evidence demonstrates that our interests are not going to be served in a situation where the British state exits from the European Union. That is clear. The difficulty with the pro-Brexit position, and this applies to the north as well as, I think, across the British state, I have yet to hear a coherent or a cogent argument being made by the pro-Brexit position as to why positively, economically, politically there will be gains and credits arising from that position to exit.



**Q383 Nigel Mills:** Avoiding Project Fear, why don't you just give us your picture of what your ideal EU would look like in 10 years' time, were we to vote to stay in?

*Megan Fearon:* I think if you look at what Europe has done for us, speaking as a young person—

**Nigel Mills:** No, I was thinking in 10 years' time. This is the future, not having past—

*Megan Fearon:* I suppose in 10 years' time, we have a policy of critical engagement with the EU. We have been concerned about the direction of travel to the right, and that is I suppose in response to a number of things that we will not get into, but I think the European Union is an unavoidable arena of political struggle for the oppressed left, if you want to put it that way. So in 10 years' time, we would like to see a move away from right-wing politics and I suppose the fear from the focus on finance and the financial sector of the economy.

**Q384 Nigel Mills:** So you want even freer borders, you want more social legislation, more employment legislation. Do you want a bigger Europe, Turkey in maybe?

*Megan Fearon:* No, we want workers to be protected, first and foremost. We want our farmers to be protected and continue to be protected. There is a lot of good stuff that Europe does, but it does need reform.

**Q385 Nigel Mills:** Do you want more central power or devolved to the nation states?

*Megan Fearon:* I think we would like to have more of a say, because we are in this position now because the British Government are basically in control of our destiny when it comes to this.

**Q386 Nigel Mills:** You want us to sustain a Union that is heading towards a much more centralised single state, but you kind of do not want that. You think it is going more right wing; I think the rest of us would feel it was getting too heavy on regulation and control rather than too light. I am not totally sure that thing you want to stay in is quite the thing that you want to stay in.

*Paul Maskey:* We can point to the benefits that Europe has delivered to us, the peace process, the PEACE initiatives over the last 21 years. For the people that we do speak to in our own constituencies now, there is a massive fear because we do not know what lies in store. I suppose if, for example, the thought was to leave Europe, there are still no negotiating powers, as Ian alluded to earlier. We could lose all sorts, even negotiating powers as well, so I think at this stage you are better within, or you can make sure that you have all your MEPs and their agents here, for example in the north and Scotland and Wales as well, arguing and standing together and sticking together for a much better outcome for the people of these islands. I think if you are in it then you can certainly win it, but if you are outside it, then you are definitely a loser.

**Q387 Nigel Mills:** It sounds like the argument used by the unionists seeing as the condition of the referendum last year, I never thought I would hear Sinn Féin—



**Megan Fearon:** One of the concerns that we would have is that the Executive here, due to our limited public expenditure—and we have lack of fiscal independence, which means we can't raise much of our own finances—would not be able to pick up the tab, it would be taken out of our economy. We estimate that over a four-year period in the event of a withdrawal, our local economy here and some southern border counties would estimate a financial loss to be £2.5 million and there is no way that that tab is going to be picked up by the British Government, especially after cutting the—

**Paul Maskey:** Nigel, maybe I could ask you a question. The money that comes out of Europe, comes here from Europe, would you argue with David Cameron, for example, that all that money would still need to remain or would the British Government pick up the tab for that? Would they give it here to the north?

**Nigel Mills:** I would say anyone that currently gets money from the EU should get exactly the same after we have left and they will still have £9 billion more to distribute. That seems a sensible—

**Chair:** Last question, Kate.

**Q388 Kate Hoey:** Thank you for coming and, while I disagree with your views on this, I am very pleased that you are obviously confident in the Northern Ireland Westminster Parliament Select Committee to come along and, secondly, obviously that you are supportive enough of the British Prime Minister that you are prepared to campaign with him. But just one very quick question. Nearly all the political parties have disagreements within their parties; any democratic political party usually has. Is Sinn Féin adopting the same attitude of other political parties that people can campaign within their party and go out and support Brexit when the party is taking the line or do you have a much more, shall we put it, disciplined approach to your members?

**Declan Kearney:** That issue hasn't arisen internally.

**Kate Hoey:** You have 100% absolutely every single member of Sinn Féin supports staying in the EU.

**Declan Kearney:** If you allow me to explain it, Minister.

**Kate Hoey:** I will, yes.

**Declan Kearney:** Probably going back to last September our party's Ard Chomhairle, national executive, took a paper that set out the relevant pros and cons in relation to the case for Brexit and we had a very extensive discussion in Dublin. A further paper was commissioned. Of course, at the level of national leadership, some colleagues referenced misgivings about the current state of the European Union and I indicated them myself. We do have significant concerns about various imperfections that impact on how the EU does its business. However, when we took the discussion forward in a very inclusive way we came down on a view that, notwithstanding concerns about the manner in which the EU works—the lack of democracy, issues around the infringement of national sovereignty, increased federalisation, the dangers of militarisation, deregulation and so on—the correct position for the party to assume would be to campaign to remain within the European Union but not on the basis that we felt that what we were remaining within was something



that would meet our criteria. That remained then a project of work that had to be taken forward, but it is much better taken forward by remaining within the EU than coming out of the EU.

The issue has not, in fact, been raised. It was not raised in any of those national executive meetings as to whether there was a requirement for a free vote or whether it would be anything other than deal with this issue in a collective way. In my opinion, as the chair of the party, there will be a collective, cohesive, coherent campaign taken forward by Sinn Féin and, inevitably, within the party there are different opinions about the level of democracy, the scale of imperfection that we have to contend with within the European Union. But that is the challenge that we all face and that is very much one of the priorities being taken forward by our four MEPs. Sinn Féin is the second largest Irish delegation in the European Parliament from all four Irish constituencies and they are very focused on ensuring that we see a greater primacy in relation to the social European agenda and that those things that have worked for the net benefit of the island and the region continue to work in that direction of travel and that we optimise those benefits.

**Q389 Kate Hoey:** Okay, but any individual Sinn Féin member who feels slightly differently that on balance they would prefer to go out because they don't think you will get all these things that you want to see and which we would all share with you, will they be disciplined or will they be allowed to comment?

**Declan Kearney:** The issue hasn't even been—

**Kate Hoey:** You don't have one single Sinn Féin member in the whole of Ireland who is feeling slightly concerned about your position on it?

**Declan Kearney:** The issue hasn't been raised at a national executive level.

**Kate Hoey:** It is a wonderful political party that has no differences.

**Declan Kearney:** However, I am about to leave here to travel to Drogheda for a national executive meeting at 5.30 pm and given that we now have a date and given that there is a newfound momentum creeping into this campaign and we are only a few months away from referendum day, I have no doubt that there will be further and quite intensive discussion this afternoon.

**Kate Hoey:** Thank you.

**Chair:** We will let you get there. We have gone over time.

**Lady Hermon:** Can I just ask one very small, little question?

**Chair:** Five seconds, literally five.

**Q390 Lady Hermon:** Will Sinn Féin be fundraising to fight for a yes vote in the EU referendum and, if so, where does Sinn Féin get its funding from?

**Declan Kearney:** Sinn Féin will be promoting the campaign to the best of—





**Lady Hermon:** But will you be specifically fundraising for it?

**Declan Kearney:** I would doubt if we would be fundraising in relation to the referendum. We just fought an election in the 26 counties, we are about to fight an election in the Assembly here in the north for the Assembly on 5 May. For a party organised in an all-island basis, that is a huge pressure to—

**Lady Hermon:** But you are a very wealthy party.

**Declan Kearney:**—try to keep together. But we will run a vigorous, progressive and positive campaign and the Sinn Féin position will be very clearly articulated and visualised.

**Q391 Lady Hermon:** But I want to know where your funding comes from.

**Declan Kearney:** I told you that we will bring party resources to bear on this campaign at a local and a regional level and we will expect local branches and units of the party at a local level and at a regional level to put some kind of a measure of contribution into the central party campaign pot. But we haven't even worked out the logistics of how the campaign is going to be run at this stage. At this point in time we have just run a very expensive election in the south, we will face into the expense of an election in the north, so you will appreciate—

**Lady Hermon:** I do, I do. Of course, if Megan wants the last word—

**Chair:** I don't want to get too urgent on Sinn Féin's fundraising because, again, it is about the European referendum.

**Lady Hermon:** I am rather curious, just a little bit, about how they can get the money.

**Chair:** The last word.

**Megan Fearon:** My point is not about fundraising; it is about the private campaign. I wanted to ask the Committee if you are aware of the report commissioned by the Department for Enterprise, Trade and Investment here by Oxford Economics. It is due to be presented to the Department on 22 March. It is my understanding that the Department have not yet committed to publishing that and I think it would be in the public interest if they did.

**Lady Hermon:** Thank you. We will look into it.

**Chair:** Okay, we are going to have to close now, we have gone on a bit longer but thank you very much for joining us.

### Examination of Witness

**Witness:** **Gavin Robinson MP**, Democratic Unionist Party, gave evidence.

**Q392 Chair:** Mr Robinson is the only one standing between us and a cup of tea now.

**Gavin Robinson:** Mr Chairman, thank you and I have a short opening statement to make for the benefit of Committee members. I can indicate that I am quite prepared to waive my right to ask questions of this witness. The Democratic Unionist Party have campaigned for and supported a European Union referendum. We believe that the decision on whether the United Kingdom should remain in or leave the EU is fundamentally not one for parties but for every individual voter across the nation to determine. As every voter has the opportunity to express a view, we fully expect that DUP members and voters will hold a range of differing personal views as to what is in the best interests of the United Kingdom. They are fully entitled to do so during what will be a momentous political debate about the direction of travel our nation chooses.

The Democratic Unionist Party has always been Eurosceptic in its outlook. This is based on a combination of principle and an assessment of the best interests of the United Kingdom as a whole and Northern Ireland in particular. Despite our scepticism, the DUP set out its support for renegotiation in our 2015 manifesto, which stated: “We support the current UK Government pledge to renegotiate elements of our relationship with the European Union”. Our test for the renegotiation was what impact it would have in three areas: control over our laws, control over our borders and control over our money. The DUP followed the process closely. At each stage our concerns grew. The negotiation aims were too limited. The negotiation strategy of what will you give us was a poor one.

The Tusk agreement and then the final agreement produced little. It didn’t scratch the surface on our three primary tests. An ambitious renegotiation agenda and a substantive agreement could have secured our endorsement. However, this was neither accepted nor achieved, thus our support was not secured. The agreement was a double failure. Not only did it achieve little but it set back the cause for reform of the EU by a generation. The EU has had its best opportunity in years to change and it baulked at it. A vote by the UK to remain would almost certainly bury it and be a green light to the EU to carry on as before.

Much of what we presented to the Committee is about Northern Ireland’s past relationship with the EU. However, this decision is about our future and we seek a positive debate. Sadly, like elsewhere in the United Kingdom, the remain-in campaign has rolled out negativity, such as imaginary dangers to a peace process and existential threats to our Union. The return of control and resources would not simply flow to Westminster but to the Assembly as well. The return of the UK contributions and their redistribution across the United Kingdom would be of benefit. The priorities for those would be made in Belfast and not Brussels.

The burden of EU law and regulations would make the Assembly more flexible and responsive. One of the lessons on devolution is how much the EU is a restraint on government. For example, EU rulings were a fundamental barrier to gaining a reduction in corporation tax powers and the current campaign for a reduction in hospitality and tourism VAT is hampered by European constraints. Another was the significant crisis within our local dairy industry where the Assembly’s hands were tied and the EU refused to act. Time and again, businesses highlighted the burden of regulation and its negative impact. However, the Assembly and Parliament could do nothing now or in the future against this increasing burden. Some of these organisations try to cling on to the prospect of reform but they need to realise that that is a fast and fading dream.



In terms of Northern Ireland's trade, our most important market is with Great Britain. What would be a boost overall for the UK in general, GB in particular, would similarly be good for Northern Ireland. Beyond Great Britain, in manufacturing we are already selling more to the rest of the world than to the EU and without the Republic of Ireland in those EU figures the gap would be substantive. Nor can we overlook how much it interferes with our daily lives.

Much of the case for remaining is based on past experience rather than the present or future realities. In the past the common agricultural policy has benefited Northern Ireland farmers; however, a full story needs to be told. Many do not realise significant sectors do not benefit from it, including poultry and pig industries. Small farmers are particularly burdened by EU regulations and the future of CAP is an ever-eastward shift and a reducing overall budget. The broad claim that we would lose money has been shown to be based on past experience and not the present reality, as this Committee heard from Graham Gudgin in highlighting how Northern Ireland is no longer a net beneficiary of EU funds.

The claim that the EU offers certainty is also wrong. What will be in the next 100 EU directives? What will be in the next 10 rulings of the European Court of Justice? What will be in the next EU Treaty? What will be in TTIP and what impact will that have on the fears of privatisation for our NHS? We simply do not know the answers to those questions. The defence that Northern Ireland has had a good relationship with the European Union is a very narrow view of the EU. The EU has a dark side. Ten years ago, if you had asked the people of Portugal, Spain or Greece, they would have indicated agreement. Now they have all been constrained and crippled by the EU within a single currency. Our future must be as a region reaching out throughout the world as part of one of the globe's largest economies, not tied to institutions pursuing a political project that we never wanted to be a part of. Thank you, Mr Chairman.

**Jack Lopresti:** Marvellous.

**Q393 Chair:** Thank you very much. You have probably answered most of the questions. We have heard from two witnesses already today who were obviously not enthusiastic about the EU, but on balance thought it better to be in there than not. Do you think that view will prevail at the end of the day?

**Gavin Robinson:** From a Northern Ireland perspective, it would look that it may, but of course this is an issue for the United Kingdom as a whole, of which we are but a small part. There have also been, throughout the witnesses this afternoon, a recognition that the campaign has not been a positive one. From my perspective, the best we can hope for from this Committee's engagement is that we can start cutting through some of the myths and establishing some of the facts. Mr Chairman, I think that is the evidence that we should be seeking and hope to publish in due course.

**Q394 Mr Evans:** It is quite interesting trying to glean what the major differences are with the feelings of people here in Northern Ireland and my constituency, for instance, in the north-west of England. The one word that hasn't been mentioned today is immigration and yet for a lot of people in my constituency immigration is a big fear. They see 800,000



migrants coming into Germany alone and then when they are given passports by the German Government, they will be able to roam all over the European Union, including the United Kingdom. Does it get mentioned here at all?

**Gavin Robinson:** It does. The shifts of population mix in Belfast and in Northern Ireland have changed quite substantially. Fifty years ago, the largest immigrant population in Northern Ireland was from China; in my constituency in Belfast it is now from Poland. So it does get mentioned, normally negatively, normally as a consequence of some outrageous attack on somebody who should be welcome to come to our country. But there is an undercurrent of dissatisfaction with our borders. With the discussions today, I believe, about Turkey's accession to the European Union and indeed the prospect of Bulgaria, who have also applied for membership, I suspect that those difficulties will only consolidate further. It is not only discussed, although to a lesser extent as the experience would be on the mainland, I believe it will deepen.

**Q395 Mr Evans:** Also, the prospect of Turkey joining the European Union, which would open the borders yet again to 75 million people and the eastern border of the European Union would then be Syria. You talked about the knowns, what has happened, and then where the unknowns are for the future. Is the admission of other countries, including Turkey, a problem?

**Gavin Robinson:** The question highlights the fact that what people are asking us in the remain vote is to accept the status quo, but the status quo is an ever-changing and evolving situation. There are aspirations across Europe to consolidate further political parties in a centralised way, to develop further the European reaction service, armed service and potential army, and increase the control of the single market and the unified economy. Those are all aspects of further development of the European Union, a project that I believe does bring incredible concern. The status quo is an evolving piece. Whether it is immigration, the economy or European action force and responsive forces and so on, those are all aspects that I think we should be alive to, not from a prospect of fear but a true understanding in the public that there is no status quo with this ever-changing and ever-evolving institution.

**Q396 Mr Evans:** The previous witnesses all talked about how dependent Northern Ireland is on money coming in from the European Union, with absolutely zero recognition that it is money from the United Kingdom in the first place that is being funnelled back by the Brussels process with, no doubt, the middlemen taking their massive cut. Why do you think that the view is so pessimistic that should Brexit win that the money that is returned to the central Exchequer somehow or other will not only find its way to Northern Ireland but will do so, plus a huge amount more, simply because we are net payers to the European Union?

**Gavin Robinson:** It is utterly depressing that when people look around in my constituency and see an institution or organisation that has been funded by the European Union they don't acknowledge that that is our money returning with a reduction, nor that we would have the ingenuity or the aspiration to sit down as a people in Northern Ireland and say if we have had division, if we have had conflict and we need to increase cohesion, we are perfectly capable of administering and proceeding with those schemes ourselves.



The truth is we do, of course. European PEACE moneys are largely disseminated through our district councils, all of which decide upon their good relations policies themselves. It is just that the cheque may be written from elsewhere but there is no recognition that the money is coming from ourselves in the first place. I find the lack of ambition quite frustrating. We already demonstrate how very successfully, whether it is in my area of east Belfast or right across the province, people have the ingenuity and the ambition to bring communities together and to solve conflict.

**Q397 Lady Hermon:** It is very good of you, as a member of the Committee, to morph into a witness as well. May I ask you, Gavin, did you write that or was that written for you?

**Gavin Robinson:** Yes, it is what is known as a joint effort.

**Q398 Lady Hermon:** Right, it is a joint effort. I can't be convinced that you believe what you have just read to us. Right. Would you address the point, the very significant point I think, that was made by Michael McGimpsey? That is the one about that in the event of a vote in the referendum to leave the EU—heaven forbid from my point of view, I have to say—Michael McGimpsey made the point that that would mean that our nearest land frontier neighbour, the Republic of Ireland, would remain and will remain in the EU for a long time, indefinitely. He expects that it would trigger another referendum debate in Scotland and he certainly indicated that under Nicola Sturgeon there was a real possibility that Scotland may leave the United Kingdom and reapply for membership of the EU. I think his words were that that would leave Northern Ireland as an outpost—he might have said far-flung outpost of the UK, but I would not want to go that far—of the UK. How do you reassure unionists when in fact you have someone of the seniority of Michael McGimpsey saying that and he genuinely meant it?

**Gavin Robinson:** I believe that what he said was both a mixture of bluff and bluster, if you don't mind me saying. Mr Chairman, just for the record, I stand over 100% the opening statement and I am proud of the references therein and am happy to be questioned on them as well. In terms of Scotland, I think Mr McGimpsey would be in a much stronger position if he were able to give us 100% cast iron guarantee that if we stay in the EU the threat of Scotland leaving would be removed altogether. Given that there is an ever-existing desire of the Scottish National Party to leave the UK, staying in to keep them here is not going to work. They will still want to leave; it may be further down the line. When I say that is the bluff, that is the bluff.

**Lady Hermon:** It may be further down the line, so it would specifically—

**Gavin Robinson:** The bluster, I have to say, has already been covered during the referendum debate in Scotland in 2014. Should the United Kingdom leave, Scotland can't choose to stay. It isn't an option for Scotland to stay in the European Union. If a member state leaves, they are outwith the European Union and the method through which they could apply to re-join is not only a lengthy and a protracted process but a decision for the then remaining members of the European Union. I am not persuaded or taken. While I am not ignoring the threats to the Union, I see more threat to this Union in the Scottish National Party than trying to adopt a position in the hope that I could somehow change their views on our great United Kingdom.



**Q399 Lady Hermon:** But it may hasten the day if we were to have another referendum for Scottish independence. Do you agree with that?

**Gavin Robinson:** If you have a timescale that you could outline and I think for—

**Lady Hermon:** No, but I am asking the question.

**Gavin Robinson:** Yes, if you could have a timescale you could outline that may be very useful, but I believe that their timescale isn't hastened anyway, if they wished to proceed with a referendum in the near future anyway. I do believe that. I don't think there is any indication that the SNP, while they may be using the referendum on the EU as a tool in this discussion, I don't believe that we are far from a referendum again on the relationship between Scotland and the rest—

**Lady Hermon:** Okay. Just for the record, I did not mean to offend you by my opening remarks.

**Gavin Robinson:** No.

**Lady Hermon:** No offence was intended and I hope none was taken.

**Gavin Robinson:** A true lady would never offend.

**Q400 Lady Hermon:** Thank you. Could I move on to the second point that you made when you illustrated the restraints? You actually said the words “hampered by European restraints” and you gave two examples. You gave the example of the devolution of corporation tax here to the Northern Ireland Executive and to the Northern Ireland Assembly from Westminster and you also mentioned the reduction in VAT on tourism and the hospitality industry. In your heart of hearts, Gavin, don't you think that it suits the Treasury to hide behind the EU rules about VAT because, of course, we were told in evidence that the UK Government, the British Government, could just as easily apply for a reduction of VAT on tourism and hospitality but it suits the Treasury not to do so? The Treasury knew about the state aid rules. Even if there were not the state aid rules, are you convinced that the Treasury would have devolved corporation tax any earlier to the Executive if they could not hide behind the state aid rules?

**Gavin Robinson:** There are two issues there, Mr Chairman. The first is that whether it is an excuse or a reality, the fact is that leaving the EU would remove that response, so they could no longer rely on the constraints of the EU to frustrate our ambitions as a regional government to achieve the fiscal ability to either reduce or increase those powers. The second is that it is not an excuse when we consider VAT. The European Union only precludes or only allows two rates, a substantive rate and a varied rate, 20% and 5%, within the United Kingdom. For as long as that remains the case, it is impossible for the United Kingdom Government to recognise that we in Northern Ireland share a land border with another country that has a lower and more preferential rate of VAT and tourism and hospitality tax. Unless we ourselves pay for it, they are unable to provide us with a third rate of VAT but they are unable to be flexible, given our considerations with the Republic of Ireland border.



**Q401 Lady Hermon:** You have mentioned twice the Republic of Ireland border, so I will skip the questions and I will go down to the evidence that was given to us by the Irish Ambassador. He made the point repeatedly in Westminster that, while he would do his best in the negotiations in the event of the UK voting to come out of the EU, the Republic of Ireland would be one of 27 countries. How significant do you think that would be in dealing with somehow policing the border—and that is the border between Northern Ireland and the Republic of Ireland—in the event of the UK leaving? He was very clear about his evidence on that.

**Gavin Robinson:** He was. The United Kingdom and the Republic of Ireland already have border arrangements of co-operation because we both lie outside Schengen, so we both look after one another and co-operate quite closely outside of what is a unified European Union border process. That is the first thing to say. I think it was demonstrated by the evidence we got from Mr Mulhall that the Irish Government are scared of us leaving because they will lose their big friend in Europe. They will lose our negotiating ability. They will lose our clout because it is clear that the Irish Government have benefited through the European Council with the relationship in the United Kingdom. I fear that their concern is more tied up with losing their big mate in a big pool and that they will become quite isolated should we choose to leave.

**Q402 Lady Hermon:** Going back to the policing of the border, in the event of an out and to leave the EU, are you saying that in fact you don't expect there to be any change along the border to our policing arrangements between An Garda Síochána and the PSNI?

**Gavin Robinson:** I will say that it is not that I don't foresee any change. I take it pretty ill and our party takes it pretty ill with the fear concerns around border operations, about border posts when we have had a common travel area before the European Union and they would have arrangements set thereafter. I take it pretty ill for those who suggest that Northern Ireland will descend back into violence should we not benefit from a continued relationship with the European Union. That touches to a base level of politics of concern and fear that is not suitable and nor is it of credit to anyone who should raise it. I am not suggesting—

**Q403 Lady Hermon:** No, I was not. Finally, of the main concerns that you mentioned on behalf of your party, I put down number one was control over our laws, the UK laws. You will know, Gavin, and you will recognise that even if the UK were to leave the EU, the UK would remain a member of the UN, NATO and the Council of Europe and, therefore, we are not in the future—even outside the EU—going to have control over our laws. How do you reconcile those two positions?

**Gavin Robinson:** I don't think that the European Charter on Human Rights is by any means the overall burden on the legislative progress that we see when we are at Westminster. What we deal with daily is directives that we have no flexibility around, that we have to take as are, and so that is exactly the point I make when I say control our own laws. No longer will we simply have to get what emerges from Europe and change it into operation in the United Kingdom. We will have complete flexibility on all of those issues and that is something that you and I and all members of this Committee and all Members of our Parliament are more than capable of doing.

**Q404 Lady Hermon:** But you would accept that we would remain obligated and have obligation under the UN Charter, under the Council of Europe and all of those—

**Gavin Robinson:** Absolutely. As a country, we can proudly go forward then as a Security Council member of the UN and have a huge say in the development of international protocols and principles and will continue to champion those. I am not against someone else or being involved in large institutions, nor are we proposing some sort of isolationist model. What I hope can be achieved through this process is remove the burdens and shackles within the EU to give us the full and wholesome ability and flexibility to engage internationally.

**Lady Hermon:** Thanks very much.

**Q405 Mr Hepburn:** Northern Ireland, like the north-east of England, receives substantial amounts of money from the EU. We know it is recycled—we know that. At a time when the Government are going through austerity measures and central government grants to the regions and places I know, the north-east, are getting reduced, what guarantees can you give to the sectors that are currently receiving European funding—whether it be farmers, voluntary sector, or whatever it may be—even though it might be recycled money, that if this money was placed in the hands of the UK Government they would not lose out?

**Gavin Robinson:** The Barnett formula is our guarantee, so we are entitled to our slice of the pie and then it is for the Northern Ireland Executive to distribute accordingly. The pie is going to be bigger, but the Barnett formula remains the same. In proportional terms and percentage terms we get our slice and we will distribute appropriately. If that is an inflated amount, which it is quite obvious it would be, then we will have more to play with at a regional level and at a national level too.

**Mr Hepburn:** It would be a good argument for the north-east to have the Barnett formula.

**Q406 Jack Lopresti:** Gavin, brilliant opening statement, by the way. Looking at the positive aspect of the whole thing, if the British people vote to be free and sovereign and independent again in a few months' time, what excites you most about that opportunity? What inspires you, especially for the people of Northern Ireland? What would be the result of us being free and independent?

**Gavin Robinson:** There will be a tumultuous number of months of activity around negotiations and agreements. But if you look at the manufacturing figures for Northern Ireland, our biggest market is GB by a considerable stretch. We have more trade from Northern Ireland with the rest of the world than with the EU and if you take the Republic of Ireland out of that then it is half of the rest of the world than we trade with the EU and that is having had the benefit of decades of EU involvement and a single market.

There is so much opportunity and so many potential benefits for the Northern Ireland people, for businesses and for individuals and, I have to say, inward as well. For too long we have had an uneven and an unbalanced relationship with immigration, where from the European Union states we have no say whatsoever and then find it very difficult to attract





those who may live in Commonwealth countries or other countries throughout the world, yet we have a heavy reliance on them in our health service and so on. We will have incredible flexibility there as well. Let's focus on the positives, reject Project Fear and go forward with the facts—that Mr Chairman will produce at the end of all of this—and have an honest and purposeful discussion about the benefits of Brexit. Thank you.

**Q407 Danny Kinahan:** We might as well start where you have just left off. It is not about Project Fear, but Project Fear seems very clear to me, although you can't put the argument. Rather than get the facts across, they talk of Project Fear, smear, scaremongering and, in your case, take ill of it. Would we not be better off if we just had straightforward facts? I like positivism and I like that side. Do you not think we are all getting it wrong by talking of Project Fear?

**Gavin Robinson:** When I said take ill of it, I do take it a bit ill, I have to say, Mr Kinahan, that people would ever say that our peace process is vulnerable post 23 June. I do think that we collectively in Northern Ireland have achieved so much that it is a disservice to the people of Northern Ireland to suggest that the peace will crumble on 24 June should we go to Brexit. While I agree with the thrust of your question, I don't think my quote should be taken out of context, that I do think that about somebody who is proud of Northern Ireland and proud of what we have achieved in this province.

**Q408 Danny Kinahan:** Okay, thank you. We had the discussion with the three economists, but we only ever seem to mention one at the moment. Do you agree with their read that it could be five to 10 years before we get all our trade deals and everything into place and we get ourselves back to where we are today?

**Gavin Robinson:** It is a great unknown. There is no fact that it is going to take five to 10 years; there is nothing to say you couldn't do it in 10 months. The truth is there will be fewer players involved because it is UK with the Commission, whether it is egos to massage or considerations to work through. What I think is clear—in the nature of the questions from earlier sessions—is that there will be a huge requirement on Germany and France to ensure a smooth transition to a trade arrangement with the United Kingdom. But bear in mind those facts. We are only talking a very slim portion of exports from Northern Ireland to the EU. We are already excelling markedly more in the US, in the rest of the world and with GB primarily and particularly, so I don't see a great danger in it. You are right, we have only mentioned by name one of the economists that came before us. But it is important to mention Dr Leslie Budd as well, because he accepted before our Committee that the figures that the Enterprise Committee of this institution took are wrong, he accepted they are guesstimates and when you boiled it down they fell within the margin of error.

**Q409 Danny Kinahan:** Do you agree that it is going to take two years or more, we are told, to get out of Europe if we choose to go that way? Do you agree with those figures?

**Gavin Robinson:** That is the process under article 50. That is a two-year process.

**Danny Kinahan:** Therefore, it is definitely going to take two years minimum?

**Gavin Robinson:** That is to work through the arrangements for leaving. That doesn't preclude agreement at an earlier stage.

**Danny Kinahan:** Most of the facts that I have seen on that have shown that it will take two years. There is only the one option, which is the article 50.

**Gavin Robinson:** Which is a two-year process.

**Q410 Danny Kinahan:** If it takes two years, what is happening to our trade in the meantime for those who—

**Kate Hoey:** You can negotiate it in the meantime, can you, with other countries? Exactly.

**Gavin Robinson:** You can not only negotiate and conclude negotiations within that two-year timeframe but because the arrangement will still be as was, we will be able to trade anyhow. But don't misquote or I believe I will be in some difficult situation. Mr Chairman, if we take last year's manufacturing exports from Northern Ireland to the rest of the EU, £1.5 billion exports, to GB £8.2 billion of exports, £1.4 billion to the Republic of Ireland contained within the EU figures, £3.1 billion to the rest of the world. Outside of those European considerations, around 80% of the trade that we do from this country in Northern Ireland to others will not only be sustained but there is an opportunity to grow it as well.

**Q411 Danny Kinahan:** Why do you think manufacturing in Ireland—most businessmen and certainly most that I have spoken to wanted to stay in—they don't see the picture?

**Gavin Robinson:** I suppose going back to whether a Project Fear or not is worthwhile, wasn't it atrocious that an individual who is president of the British Chambers of Commerce expressed a view at the weekend and has subsequently lost his job? I think that is a dreadful situation to be in. The Secretary of State adopts a position and then has a major party in Northern Ireland calling for her resignation, yet not calling for the resignation of other senior politicians who have equally neutral positions but who have adopted a position that they support. We should be able to, fairly and flexibly, have this discussion on facts without fear, but not boil it down to all say some, and so your point is either irrelevant or you should be scared of it.

**Q412 Danny Kinahan:** So you would also agree with the fact that someone in the CBI who was rung by the leave campaign and told not to take a position was also being unfairly told not to take a position, that they should be allowed to speak and give facts?

**Gavin Robinson:** People should be allowed to speak and our party position is very clear. This is not about organisations, this is not about the great and the good, this is not about the establishment; this is about every man, woman and teenager of 18 and above having their say. Unless they are above 63 years old, they have a say for the first time in their lives on such a monumental political institution and something that affects our country so greatly, be it good or ill. I think it is important that everyone has their say irrespective of whatever membership card you hold or what group position an organisation may take.



That is why we recommend to our electorate, to the constituents of Northern Ireland that they should vote to leave, but it is very much a matter for them and we understand that friends on both sides will have arguments from both sides.

**Q413 Danny Kinahan:** You also recognise the fact that it is going to be harder to put back, so you are talking of hope for the future than for knowing where we are at the moment?

**Gavin Robinson:** I have made the point that can equally be said for the remain campaign because the European Union continues to evolve. You cannot tell me whether the TTIP, which is between the United States and the European Union, is going to allow for the privatisation of the NHS because we do not have any idea of that secret trade negotiation. There is no certainty in remain. There is no certainty in allowing things to continue as they are. There is no certainty about the status of the forthcoming treaty, which is discussed, nor indeed how many countries are within the EU and what impact that will have on the UK. There is no certainty there either.

**Danny Kinahan:** “Either”—that is key word. Thank you.

**Q414 Ian Paisley:** I will start by saying that you are the only witness who has ever been accused, after making a statement, that we could not believe a word you have said. But I must say, if there is any inference in that, I apologise to you on behalf of this Committee.

**Chair:** I do not think that was what was said.

**Ian Paisley:** That has never been said to anyone who has given evidence. If you did not take offence, I took offence.

We have been talking a lot about trade agreements. Switzerland, Chile and New Zealand have managed within a few years to negotiate a very significant trade agreement on behalf of their nations with China, but the current status of the EU is that they have no trade agreement with China. Do you feel that we would be in a position to negotiate our own trade agreement if Switzerland, Chile and New Zealand are able to do that?

**Gavin Robinson:** Absolutely, and it is not just China. The largest employer in my constituency is Bombardier-owned. The largest private employer in Ireland is Brazilian-owned. Not only have we benefited greatly from external EU investment and support and job creation, we would be able to an awful lot more.

**Q415 Ian Paisley:** The two previous witnesses that came before us basically said that this is by degrees not really a very good deal, but we are encouraging you to stay. Do you find that a positive campaign?

**Gavin Robinson:** No, I don't and I don't think they are accepting all of the negatives associated with that position because they do not know what will come further down the line, but we do know this. Patience within the EU member states has run out with the United Kingdom and constant requests for reform. I think the Prime Minister fairly responded to the Mayor of London in Parliament when he said he knows many couples



that sadly have divorced but he knows not one who have issued their divorce papers in the hope that they will renew their wedding vows. I think the notion that we will be able to reform after this is misplaced and the inexorable progress within the European Union will be to further centralisation and consolidation of the original project.

**Q416 Ian Paisley:** One of our witnesses indicated with regard to farming that the common agricultural policy had been very good for Northern Ireland, yet they then seemed to remember their constituency interests and said the common fisheries policy has been an absolute disaster for them. How do you characterise the CAP and its impact?

**Gavin Robinson:** I am an east Belfast representative and I think we have three farms in my constituency. What I find is that everyone outside of rural areas is very quick to tell you the views of farmers. I do not think it is as easy to find a significant cohort of farmers who share those views. It is very easy for people to look from the outside in and suggest that CAP is a good thing, but the farmer who has to go through his field and mark out the square footage of each tree in the field, so there can be an appropriate reduction from the common agricultural policy single farm payment, is frustrated by bureaucracy.

When we had the difficulty with milk quotas toward the end of the last year, our dairy farmers were frustrated by the inability of the EU not only to inflate the price offered but also to bring forward payment when it was required because the banks were not loaning and the constraints were there. If ever there was a case to be made then the common fisheries policy, which—part of what it does within the constituency of the party leader that was giving evidence earlier is of huge and significant concern. In Brexit, we would be able to have a nationally agreed, regionally augmented scheme and with the prospect of supplementing that with further resource, a better deal for farmers, for fishermen and all those who rely on EU aid.

**Q417 Ian Paisley:** Do you agree that, irrespective of what the outcome of the referendum will be, the SNP will probably seek a second referendum on Scotland's place in the Union some time over the next five, 10 years anyway?

**Gavin Robinson:** When they consolidate their position in the Parliament, my view is they will proceed to a second referendum and I think all the indications would be that they will do significantly well in the Scottish parliamentary elections. Having consolidated their position, a referendum will come irrespective of what happens on 23 June.

**Q418 Dr McDonnell:** I am sorry I missed your opening statement but congratulate you on it anyway by hearsay. I was a bit taken aback by your expression—I think it was Jack asked you the question—when you said the UK had no say whatsoever on the various laws and the various directives that came from the European Union.

**Gavin Robinson:** Is that something you picked up in hearsay or were you here?

**Dr Alasdair McDonnell:** Sorry, I was here for that, yes.

**Gavin Robinson:** It is transposed directives. What I am saying is that we as a Parliament have no ability to augment directives conferred to us.

**Q419 Dr McDonnell:** But you would accept that the UK Government is a member of the EU and is fully participating?

**Gavin Robinson:** One of 27.

**Dr McDonnell:** Yes, but they fully participate and are consulted at that level in most of the issues.

**Gavin Robinson:** Yes.

**Q420 Dr McDonnell:** I don't think any of us—probably they do not get their say. Yes, they are one of 27 but they have—

**Gavin Robinson:** Correct. We could have our say. We could have our say.

**Dr McDonnell:** But they do have a say, surely?

**Gavin Robinson:** We are frustrated from securing fundamental change. You talk to any devolved Minister, whether they be from your party or any other, when a European Council is convened, devolved Ministers are often invited to sit in either another room or another building. We get very little follow through on our regional reflections, so having difficulty in getting the member state, Her Majesty's Government representative, in advocating our special interests or our particular needs from a Northern Ireland perspective, never mind the representative of Her Majesty's Government going forward and securing and achieving those. If we had the ability to amend and augment those directives within our national Parliament then I believe we would be in a much better place.

**Q421 Dr McDonnell:** Another point there that I picked up—and I am testing these for accuracy—you seem to suggest that a Scotland re-entry negotiation would take quite some time, years, to re-join yet trade arrangements could be sorted out in a few months. Surely experience would tell you that the negotiations can be lengthy, that your first suggestion about Scotland is probably the more accurate one? On what basis do you think we could have a trade agreement within months?

**Gavin Robinson:** Not only do we have one organisation to negotiate with, the European Commission, we also have those European countries like Germany and France with whom there is a trade deficit with the United Kingdom—so they sell more to us than we sell to them—who will have a burning desire and need to continue trade links. There will be almost an impetus not just from us but from the European Union. I cannot think of one country that has acceded to the European Union quickly. I think Turkey, which is being considered today, has been in that process for well over a decade. We will see, because I think Bulgaria have just applied, how quickly that process occurs. But the notion that following a Brexit decision the SNP will be able, through a referendum, to take the Scottish people into the European Union quickly is a fanciful one and one that was smashed down during the referendum debate in 2014.



**Q422 Dr McDonnell:** All I am doing is looking for the assurance that France and Germany would be here on 24 or 25 June with their burning desire seeking an instant trade agreement. I do not think it will happen. I personally think that the two would be somewhat similar and it would take five, six, seven or eight depending.

**Gavin Robinson:** But, again, there is no basis for that. There is no basis for that at all other than it suits the argument for remain. If I can say, Mr Chairman, with respect, it suits the agreement for remain so it is put out there as an insurmountable barrier should Brexit be decided by this country. I tend to be a positive person, as you know, and where there is a willingness there is a way and what I am indicating is there will be an impetus from Germany because their companies, their corporations, their economy will rely upon it.

**Q423 Dr McDonnell:** I would tend to agree with you, positivity is important and I think you are positive around all of this. I think what we all want is some sort of fact. There is a presumption around some of the argument but the other thing is—I just want to switch to the Barnett formula—that Barnett would remain the same. People have talked about 9 million or 9 billion, I think it is more like 7.1 or 7.2 from the figures that I have seen but these figures can always be adjusted.

**Gavin Robinson:** The figures are published and they change year on year; they have increased year on year the net contribution to the European Union. I think as part of this overall process, if I can helpfully say as a Committee member, it would be appropriate to publish the Treasury figures but often with the £9 billion we do not consider fully the rebate that comes out of that.

**Q424 Dr McDonnell:** What confidence have you—because as somebody suggested earlier, we have not had a lot of generosity at times in negotiations with the Treasury—that the Barnett formula will remain the same or that we will receive any aspect of that? It may very well be that expenditure would be cut by that amount of money. The other thing on that point is that Switzerland, of course, has a trade agreement with the European Union and so has Norway but they make financial contributions in order to obtain that. While they make the financial contribution, they have no input so they are effectively law takers rather than, as somebody said, law givers. They have no input, so we would not have an open door. While France might have a burning desire or Germany might have a burning desire to sell Mercedes cars, there would still have to be a contribution.

**Gavin Robinson:** The first thing I would say is don't limit your aspiration solely down to the failure of others. The second thing I would say is that Switzerland obviously took a decision that rather than have tariff barriers imposed they would pay the contribution. That is exactly the same situation that we have within the Northern Ireland Executive currently where the APD on long haul flights is exactly the same across the United Kingdom but the Northern Ireland Executive chooses to pay rather than pass on the difference to the consumer. That is a consideration and I suspect very much—and this a personal view—that should Brexit succeed then the Government will want to maintain a level of financial flexibility within our economy so that they can step in should difficulties arise or the process becomes difficult and the economy falters or the pound devalues. That flexibility would be important, but be clear that any additional spend from Treasury gets an allocation under the Barnett formula. Whether there is a political discussion as to whether



that should change within the United Kingdom—and some suggest it should because they do not like inherent bias—is a matter for another day. That is the system we have at the moment and as remain love the status quo, that is the status quo. If there more money to share about, then there is a Barnett consequential in our favour in Northern Ireland.

**Chair:** We will have to leave it there. We have seven minutes before we reconvene.

**Q425 Lady Hermon:** Sorry, Mr Chairman, may I just say informally in light of the view that was expressed by Mr Paisley earlier on, I want to put it on the record—

**Chair:** He is not here now.

**Lady Hermon:** I know he has left.

**Gavin Robinson:** Could I just say, Mr Chairman, there is no personal slight taken by me and I—

**Lady Hermon:** I have the highest regard for the integrity of Gavin Robinson.

**Chair:** We will reconvene at quarter to. Thank you very much, Gavin.

## Examination of Witnesses

Witnesses: **David Ford MLA**, The Alliance Party of Northern Ireland, and **Stephen Farry MLA**, The Alliance Party of Northern Ireland, gave evidence.

**Q426 Chair:** Sorry for the slight delay; we had an administrative detail to deal with. I understand you would like to make a brief opening statement?

**David Ford:** Yes, thank you, Chair. Stephen will say a few words about the economic issues, I want to say a few words about justice issues and then leave it open for questions.

**Stephen Farry:** Over to me. First of all, thanks very much for the opportunity, Chair. We approach this as a fundamentally pro-European party and we have been so throughout the duration of our history. We believe the European Union is a good thing, above and beyond just the very narrow interests of Northern Ireland. It is something we feel we should be embracing and I think it is important that we reflect on the fact that the European Union and the previous iterations, in terms of the European Community, have had a very positive role to play in building peace and consulting in democracy and human rights across Europe. The fact that we still have people who are queuing up to the join the European Union at a time when the UK is contemplating leaving is an indication that it still has a powerful role to play in that regard. While we accept the European Union is far from perfect, we believe that it does provide some very important functions in terms of security, justice—which David will allude to shortly—providing a common regulatory framework around, for example, matters environmental and most particularly in terms of support for our economy. In the first instance there is the issue of the direct financial support that comes to Northern Ireland, which is significant across a whole range of programmes.

Through my own direct ministerial responsibility, I have responsibility for the European social fund and also engage with Erasmus and Horizon 2020 among the programmes. There are a few others beyond that as well, and all those make a huge difference. Northern Ireland is a net beneficiary in terms of European funding, leaving aside the issues around the UK. In the context where the UK was to leave, we would not expect to receive the same grade of support from the Westminster Government that we would as part of the European Union, because policies are based upon need as opposed to the Barnett formula, a population-based methodology.

Perhaps most fundamentally, the European Union gives us access to a huge single market. Over half our exports go to the European Union and we do not relish the prospect of that being broken up and all of the consequences that flow from that. This debate comes for us at a time when we have just secured the ability to have a lower rate of corporation tax. It is a cruel irony at a time when we are about to have our most effective tool to attract more investment into Northern Ireland that we are potentially going to lose the ease of access to our potential market. I have spent the past five years, among other things, advocating investment and talking to many companies, particularly in the United States and elsewhere, and I have yet to meet a single investor who has actively advocated for Northern Ireland not being part of Europe. Indeed, many have said the fact that we are part of that wider European market is part of the attraction of Northern Ireland.

**David Ford:** There are specific justice issues, Chair, which I think have been largely ignored so far. Virtually all justice co-operation between the Republic of Ireland and the UK, or in my term as a devolved Minister between Northern Ireland and the Republic, is under the basis of European legislation. In particular the European arrest warrant is now extremely significant in ensuring that bringing criminals across the border to face trial is almost as easy as it would be to bring somebody from Edinburgh or London to Belfast. I am old enough to remember when that was a particularly toxic issue, when it was all but impossible to get extradition. We then made some measures with Irish legislation but that has now been entirely superseded by the European arrest warrant arrangements and the old Irish legislation has lapsed. I believe that we were in danger of losing that as part of the justice and home affairs opt-out last year. I believe there would be massive dangers to that particular aspect of north-south co-operation, as well as the whole issue of what would happen in the context of the border, how there would be potential co-operation on matters like immigration in the context of Brexit. I believe those kinds of issues need to be considered alongside the more dominant European issues about the economy, which is where most of the focus has been so far.

**Q427 Chair:** The European arrest warrant that you mention as being an example of good EU co-operation has not been used very often. I think I am right in saying that the stage the case needs to be at is very advanced before it can be used. Is that not the case?

**David Ford:** Not being involved in the details of what stage it needs to be at, I am not in a position to go to that but I do know that the vast majority of extraditions that affect Northern Ireland, either in or out, are now under the EAW and there is certainly no other way in which terror suspects, serious criminals, could be extradited across the border at the present time.



**Q428 Chair:** Do you feel it makes it easier within that European arrest warrant system than the extradition treaties we have beyond the European Union? Obviously they have been in place for a long time as well.

*David Ford:* What I do know is the enormous difficulty there was in getting extradition legislation to the Houses of the Oireachtas before the European arrest warrant replaced them and that legislation simply does not exist. If we did not have the European arrest warrant, we would have no basis for getting extradition from the Republic to the UK and I am not sure how much more effort it would take to get an unsatisfactory arrangement when what we have is an arrangement that currently works well.

**Q429 Chair:** Could I press you slightly on that? I declare an interest. I voted against it because I felt it transferred power to the EU. We did have arrangements in place before that, surely?

*David Ford:* We had arrangements in place, they were very hard got and they did not work particularly satisfactorily whereas what we have now—

**Q430 Chair:** No, but we had them in place. I think you said that there was nothing there beforehand or words to that effect.

*David Ford:* I thought what I said was at the time there was no arrangement, we then got some arrangements. Some of those who were charged or who were suspects and subsequently charged with some of the most significant and nasty criminal offences were eventually extradited, but it was a major problem to get extradition in place and the European arrest warrant has now made it a very simple thing to do.

**Q431 Mr Evans:** Surely we could just do a deal after Brexit that kept the European arrest warrant going? It is in everybody's interest, surely.

*David Ford:* I am not sure how you would do a deal to keep the European arrest warrant in being if we were not part of the EU. What I am saying is—

**Mr Evans:** Separate treaty?

*David Ford:* Yes, but it is not a matter of what might be done in the Parliament of the United Kingdom around the treaty, it is a matter of how things would go through the Oireachtas. One of the huge problems we have had in the past—and frankly when you look at the current composition of the *Dáil* following the recent election, I do not think it would be an easy task to get it through.

**Q432 Mr Evans:** I am not too sure it would be something that you would just do with Brussels at a higher level. It is in everybody's interest that this thing is in place throughout the whole of the European Union and so you would then be able to arrange a special or separate treaty. After all, it is just a continuation of what is already there. Once we then vote to leave the European Union, that would remain in place. In fact, a lot of the things that you have spoken about such as trade, where we have a deficit with the European Union of



something over £50 billion, I would think it is in the interests of the rest of the European Union that that continues. I do not see why they would want to turn their backs on a market whereby they are quids in.

**David Ford:** I will let Stephen deal with the specific bit about the economy, although I have heard recently comments passed from the US suggesting we would not easily get treaties there. But if you start talking about maintaining the European arrest warrant having left the EU you simply do not get the way the politics is currently operating at Leinster House.

**Q433 Mr Evans:** It would be settled between the United Kingdom and the Commission as opposed to with individual governments. We would not be doing it with individual governments.

**David Ford:** Individual Governments would have to agree, individual Governments would have to place processes to that, and I am not sure you would not end up having to have a referendum in the republic on something like that.

**Q434 Mr Evans:** It is a continuation of the process that benefits everybody.

**David Ford:** Yes, but the way it is viewed from Westminster is not necessarily the way it is viewed from Dublin.

**Q435 Mr Evans:** David, what would you say to the accusation that you are just embarking on Project Fear simply in order to—

**David Ford:** I would say that is the kind of lie that is generally used by Brexit campaigners. I saw what nearly happened last year when we nearly lost the European arrest warrant altogether and I do not see how we would maintain it if the UK were to leave the EU.

**Q436 Mr Evans:** It is in everybody's interests, that is what I would say. Anyway, Stephen, on the trade.

**Stephen Farry:** Just briefly on the security issue, obviously these are extremely topical issues in Northern Ireland today and the border is there and it is a porous border, so we do need to make sure what we have in place is fit for purpose and we do not take any risks with it. With respect, leaving the European Union and hoping that we can put in place similar arrangements is a gamble in that respect at best. On a wider point, the notion that we simply withdraw from the European Union and we try to replicate the bits that we agree with across trade, security, and so on, almost gets to the point where we are better off staying in, keeping what is there and continuing to work on reform.

On the issue around trade, I would reiterate the point that I have never come across a single investor—in five years as the Minister for Employment and Learning, going around the world alongside colleagues and other parties from Northern Ireland trying to sell investment, to encourage people to come here to open up new businesses, people are



interested in Northern Ireland because of our access to that greater market. While you may suggest that we can simply put something similar back in place again, that is a big if. There will be a period of transition at best and there is uncertainty as to whether we can replicate what we currently have. I do not see trade with the rest of the world and trade within the European Union as an either/or; I think both quite happily sit side by side with one another.

**Q437 Mr Evans:** I totally agree with you. My final question is the one with Germany. The deficit with Germany alone is £27 billion. Do you think that the German Government would cut their noses off to spite their faces and risk hundreds of thousands of job losses in Germany in order to punish the United Kingdom for leaving the European Union?

*Stephen Farry:* I would imagine in due course we will come to some arrangement and facility as to trade with Germany, and indeed with any other country that wants to trade with us, but at the very best you are talking about a transition process that will create uncertainty for businesses. We are about to live with the lower rate of corporation tax on 1 April 2018 and we need to hit the ground running in that respect. If we have a mutual question mark hanging over us as to exactly when, how or if we are going to have a trade agreement with Germany that is going to put decisions about investment in jeopardy. Companies are looking to our colleagues in the Republic of Ireland who will be offering the same rates and go, “Well, we have certainty if we invest in Dublin or Cork or Limerick.”

**Q438 Mr Evans:** What happens if the European Union wanted a common rate of corporation tax?

*Stephen Farry:* I think that is a long way off.

**Mr Nigel Evans:** But you don't know, do you?

*Stephen Farry:* Frankly, one of the rationales for us having the lower rate is the need to standardise on the island because our competitors in the south have an advantage. If you end up with a common rate across the European Union, that would not necessarily act to our disadvantage.

**Q439 Mr Evans:** You can give no guarantee today that in 10 years' time there will not be a common corporation tax if the United Kingdom remains in the European Union?

*Stephen Farry:* The point I am making, Nigel, is that at present one of the rationales for having it is the fact that we do not have a common rate across the island of Ireland and our neighbours in the south are more competitive in attracting in mobile investment than we are, and with a porous border—again that is one of the critical issues as to why the Executive have sought that power and why Scotland and Wales, for example, have not.

**Q440 Mr Evans:** It could be taken from them.



**Stephen Farry:** Yes. That is something we will deal with down the line but for now that is something we very much need.

**Q441 Mr Evans:** So it is an unknown for the future?

**Stephen Farry:** Well, insofar as virtually everything we are talking about is an unknown. There is more unknowns in leaving the European Union than staying.

**Chair:** We will not get into the Rumsfeld debate. Stephen?

**Q442 Mr Hepburn:** I asked an earlier witness—it was Gavin actually; I must be very careful what I say—about were there any concerns about the level of funding being cut to Northern Ireland should we do a Brexit and lose the European funding? The answer that I received was there were no real concerns because the Barnett formula would cater for this. Do you agree with that?

**Stephen Farry:** Probably not. Gavin and I sometimes agree on things. Let's just say for the record, we did a fine double act on the "Nolan" TV show around Bombardier a couple of weeks ago, about the importance of skills. The difference is the Barnett formula is based on a population formula and we are also suffering from what we term the Barnett squeeze, which I am sure you are all familiar with in terms of how that formula over time will erode as population changes.

The importance of the European funding is that elements of that are based around need and that reflects better Northern Ireland's position—in UK terms, and to an extent in European terms—but that is declining as we have obviously enlarged to the east, a more deprived region and we are coming out of difficulty with violence, division. The fact that we have had difficulties the past 40 years has not given us the same opportunities to balance our economy. We have a much higher rate of economic inactivity. Our unemployment figures are not just higher but higher than the UK average. So there are immediate issues and a lot of the European programmes, just in terms of how they are formulated, give us an advantage above and beyond what the Barnett formula would also be seeking to allocate. That also does not take into account tax spending decisions any future UK Government could take on the amount of money they are prepared to allocate as part of the grand total versus cuts that may be made. Again, there is a lot of uncertainties in that regard.

There are also particular circumstances here. We are a much more rural society so there is much more heavy dependence upon rural support than perhaps would be viewed as a UK national priority.

**David Ford:** I would probably have to declare a slight interest on the agricultural side but certainly my expectation from the views taken even in some of the recent negotiations is that there is little likelihood that Treasury would maintain the level of agricultural support at the level it currently is from Brussels. In those circumstances, it would severely damage, particularly on things like less favoured areas or their replacements within Northern Ireland.

**Q443 Chair:** Have you any evidence of that?

**David Ford:** I have the evidence of what I understood to be coming from the negotiations of an attempt to reduce the agricultural subsidies in Brussels. I can only assume, since that was the UK Government's negotiation position at Brussels, that is what the current UK Government would do if it was out of the EU.

**Q444 Chair:** Every single meeting I have with farmers, they spend two hours complaining about what is happening. They do not say, "This is wonderful"; they spend two hours complaining about every single aspect of farming subsidies. Which way they vote in the end, I do not know, but to suggest they are happy now would be stretching the truth.

**Stephen Farry:** I think it is probably a Northern Ireland trait that we will complain regardless, but—

**Q445 Chair:** I am speaking about my own constituency, but when it is the same formula they complain about modulation, they complain about the time it takes to get paid, they complain about the entire range of farm payments. It is a bit of an assumption to assume it would be worse if we could direct themselves ourselves to farmers. If the UK Government could say, "Well this is what British farmers need." Bearing in mind the rebate was based on the fact that foreign farmers got so much money, the whole thing was not designed for British farmers is the point, isn't it?

**David Ford:** But regardless of whether farmers do or don't complain all the time, if the Treasury's negotiating point with Brussels was to seek to reduce agricultural subsidies, I find it hard to believe that they would maintain them in the event of Brexit.

**Q446 Danny Kinahan:** You mentioned investment being held. I was with a company this week who had put on hold a £6 million new investment until the whole future was known. It was not just until the vote; it was for however long it takes to be in or out. What are you hearing from businesses as a percentage of those who want to be in and those who want to be out?

**Stephen Farry:** In terms of the domestic situation in Northern Ireland, you have the CBI and the Chamber of Commerce. CBI clearly is taking a view as an organisation that is in the Chamber of Commerce. I appreciate this is a very sensitive area, they have no formal position—hopefully I have that right—but they have surveyed their members and an overwhelming majority are in. I would say for a factual-based answer, the issue will be more even for the Federation of Small Businesses, and that probably reflects the nature of the type of business that you are talking about in the balance between export growth versus the perception around regulations. But even with that I would expect that the majority, certainly in the context of Northern Ireland, would be in favour.

In terms of potential investors, as I said in my opening comments I have yet to meet a single investor who is advocating that Northern Ireland leave the European Union. Perhaps sometimes they may not directly mention it but a large number would mention that that is



a key issue in their decisions on investment location. They haul out their matrix that they fill out with the different aspects of different areas. We are competing with our neighbours in the south, but all parts of Europe and all parts of the world. This is a major advantage that we have at present and it is one that is in serious jeopardy.

**Q447 Danny Kinahan:** If I can change the subject to what we have not really touched on today—which I think has been quite healthy—there has been migration. When it comes to the justice or the legal side, how would changes, either being in or out, affect us on migration and our own borders?

*David Ford:* The case around borders is what level of border control would be required between the UK and the EU on that wavy line from Derry to Newry. In terms of migration, there clearly is the potential that the existing common travel area might be lost in the event of the UK leaving the EU. Given how porous we know the border was during the troubles with the passage of people and illegal armaments and suchlike, given the numbers of soldiers and police officers who were in place at that time, it is very difficult to see how that border could be maintained if it was seen as the soft option into the UK.

**Q448 Danny Kinahan:** Would you see the border more likely to end up at the ports and the airports?

*David Ford:* I think there is already an element of that in the operation of the border force, that it is easier in that sense to prevent people moving into GB by covering the ports and the airports than it is by controlling a land border that is so ill-defined. That is clearly something that depends more on issues like the common travel area than it does on the precise issue of membership of the EU but I suspect it might well follow.

**Q449 Gavin Robinson:** Good afternoon to you both. Mr or Minister Ford—I am not sure; it is a justice question.

*David Ford:* Most people seem to be calling me David.

**Gavin Robinson:** You will have been aware of some press articles two weekends ago about an individual thought to be responsible for the shooting in Dublin at the boxing weigh-in having handed himself in to Stabane PSNI station for protection but then was told they could no longer hold him because there was no arrest warrant in place.

Without inviting you to comment on the individual's circumstances, was there a problem there with the European arrest warrant system? Is it lengthy but just less lengthy than the process that existed previously? Can you offer any helpful suggestions as to why that would be the case if somebody who is thought to have been involved in a murder and puts himself in a police station, is released because there is no warrant to hold him?

*David Ford:* The simple answer is I am not sure I could say anything helpful on that without being in serious danger of talking about that individual case, which you have invited me not to.

**Gavin Robinson:** Of course.

**David Ford:** Clearly any of these process do take a degree of time but the precise circumstances in which an individual may hand himself in, while unexpected as opposed to a belief that he might be in the other jurisdiction and therefore a warrant being issued, are very different.

**Q450 Gavin Robinson:** Okay. Thank you for that. Stephen, Mr Farry, Minister Farry—

**Dr Farry:** Doctor.

**Gavin Robinson:** Dr Farry, of course, Stephen. There is always something. At the last party conference at the weekend, you were recorded as saying that the referendum was both reckless and unnecessary. It is taking place; we know it is taking place; but is there not a value in democracy where we can put to the people a question that has not been tested unless you are 63 years old or above?

**Stephen Farry:** Theoretically, yes, from that point of view. But it is important to also appreciate the dangers in having a referendum on this issue from an economic point of view. It is itself creating instability. It is making more complicated our task of bringing investment into this region because at this stage people to do not know whether they are investing into the European Union or whether they are investing into the UK outside the European Union and investment decisions are not something you can put on a shelf for a year and then return to. If a company is ripe for making an investment now, they will want to make it now and they will look to other parts of the world where there is greater surety in terms of the particular context in which they are going to be investing. Having a referendum may make sense from a democratic point of view in putting to bed what has been a very difficult issue over the past 20 to 30 years, but in some ways that issues have been, shall we say, stoked up in many respects as well.

**Q451 Gavin Robinson:** Is there any suggestion that the Republic of Ireland has experienced a stilted economy because they have a referendum on every treaty change?

**Stephen Farry:** No, it is not a referendum in terms of their participation in the European Union. This is fundamental.

**Q452 Gavin Robinson:** It is whether they continue with the European Union or not, because if they don't accept the treaty, they can't—

**Stephen Farry:** In the past when there have been referendums in the Republic of Ireland, they have been about whether the treaty proceeds at the European Union. In the event that those treaties did not go through, the European Union would continue as it was previously; it would not move to the next stage of having that treaty in place.

**Q453 Gavin Robinson:** There is no evidence to suggest there is a fear of going to the people? Democracy is something we should appreciate. It is not reckless; it is honourable to ask the people: is this something we wish to participate in?

**Stephen Farry:** I have taken the view that at times if we had a fundamental change in the nature of our relationship with the European Union, then a referendum would be appropriate, but a referendum on our membership is of a different nature.

**Q454 Gavin Robinson:** Is that a statement that suggests the Prime Minister's renegotiation is not fundamental?

**Stephen Farry:** That is not really for me to say. I am dealing with the reality. We are having a referendum and I think people will be more familiar than I am with the context as to how we ended up with the situation where people feel obliged to have a negotiation and to come back with an outcome and put it to the people. I think if we had left things where they were and shown some leadership about the importance of the European Union and in some way dealt with the myths around, for example, immigration, migration, European regulation and taken those on rather than fed them we would all be in a better position.

**Q455 Nigel Mills:** Dr Farry, I have just been perusing your economic policies ahead of the Assembly election and I want to understand why you do not think some of these might be easier if you are outside the EU. You appear to want tax-varying powers for the Assembly, but we know the EU does not really like assemblies having tax-varying powers. You wanted less regulation for small businesses and while the EU thinks it might like less regulation, it does not ever quite get to it. You would like to make it easier for smaller companies to bid for procurement contracts, which would breach procurement rules. You would like to be able to support industries where Northern Ireland has potential. Again, that is state aid, which would breach EU rules. If these are your policies, do you not think perhaps being outside the EU and free to do all the things you are promising would be a better situation?

**Stephen Farry:** That presupposes that if we were to leave the European Union and then renegotiate a whole series of different trade treaties, they would come without the need for regulation. The notion that we would have regulation-free treaty relationships I think is somewhat fanciful, but those are all issues that we will have to be facing by one means or another. There is scope for us to address those nonetheless while we are part of the European Union. Obviously there is scope for the UK, and also other national Governments, to change the nature of European Union policy but within the confines of where we are today in the framework there are opportunities for change. We have had the right now to have a lower rate of corporation tax. That is a major example of tax-varying powers.

**Nigel Mills:** After many years.

**Stephen Farry:** Indeed. But that has been as much an issue of negotiating that with the UK Government as it has with the European Commission. The difficulties the Executive have had have not been with Brussels; they have been with our national Government. In that regard we have been very clear, the terms of the Azores judgment, the terms of that debate, so the battle has been a domestic one where Treasury was very reluctant to devolve tax-varying powers to the regions. It is not an issue about Brussels.



**Q456 Nigel Mills:** But you would accept that the UK is generally arguing in EU discussions to have lower regulation and a freer market than many of our European partners. If you really thought small businesses having less regulation was key to growing the Northern Ireland economy you would sense that our being free of the more centralising EU pressures would be helpful there?

*Stephen Farry:* We can find allies within the European Union. Hopefully the UK is not alone in having an agenda of a more pro-business approach and having a more pro-market approach in addressing some of these issues. So we have the scope to build partnerships. There are also things that we can do in terms of regulation. Our Executive currently has a better regulation programme where we are trying to minimise the number of regulations.

We could also do work around consolidation, for example. In the past few weeks I have put through the Assembly a consolidation of the different working time directives into a single document. That does not change the nature of the requirements of business vis-à-vis their employees but it makes compliance a lot easier; it can be much more readily understood. That type of work can happen at a national level even if the terms or the nature of the regulation coming from the European Union does not itself change. There is a lot of stuff we can do to help small business in terms of information, consolidation of regulations and directives to make—

**Q457 Nigel Mills:** But we could do more if we were free to set our own regulations.

*Stephen Farry:* Yes, but at the same time there are costs on the flipside of that in relation to the lack of ease of access to markets and also the notion that if we leave the European Union and want to have our own trade treaties with other countries that we can do that on a regulation-free basis.

**Q458 Nigel Mills:** Presumably only those companies that were selling into the EU, which is a very small minority, would have to apply the EU's regulations, wouldn't they?

*Stephen Farry:* We have aspirations that we have more companies selling to the European Union. One of our problems is too few of our companies are exporting. It is one of our key objectives.

**Q459 Nigel Mills:** Making life easier for the 96% of businesses that do not export would seem quite attractive. Anyway, we can have that debate another time.

*Stephen Farry:* With respect, it is all fine talking about the number of companies that trade with Europe. When you factor in the number of companies with employees that trade with Europe, then that picture changes quite dramatically. Our bigger companies that are employing more have much more interest in those markets.

**Q460 Nigel Mills:** I am just trying to help you deliver your manifesto. That was the only thing. The final point is that you would accept that within the EU, supporting industries is very difficult. That is state aid, which is generally specifically forbidden unless you can get a one-off derogation. If you really wanted to support your agriculture, food, cultural, ICT,



tourism or social economy industries outside the EU, the Assembly would legally, at least, be free to give aid to those industries to try to grow them.

**Stephen Farry:** Yes, but the nature of how we have supported industry is now moving more much towards the use of the corporation tax incentive than it is in terms of direct grant aid. What we are seeing is that whenever we had the direct grant aid, we had a much higher premium placed upon employment outcomes in terms of the raw numbers employed, but our wealth and prosperity as a region was not necessarily growing. The fact that we have the lowering of corporation tax now allows us to attract more high-skills type jobs, narrow the productivity gap with the rest of the UK and expand our exports to a much greater level. The fact that we may not have the same scope to do grant aid through the state aid rules is more than balanced by the fact that we have now a much more flexible lever, which requires us to be part of the European Union market to really flourish.

**Nigel Mills:** It is strange that that is almost contrary to your policy.

**Chair:** All right. We will have to leave it there. It has been very useful. Thank you very much.

## Examination of Witnesses

Witnesses: **Jim Allister MLA**, Traditional Unionist Voice, and **Councillor Henry Reilly**, Traditional Unionist Voice, gave evidence.

**Q461 Chair:** Welcome, gentlemen. Thank you for coming. Would you like to make a brief opening statement?

**Jim Allister:** Yes. It will be brief. I think these occasions benefit more from questions than me or anyone else pontificating.

First of all, TUV very much welcomes that fact that we are having a referendum. We think this is a vital decision for the people of the United Kingdom.

Secondly, we take a view that this is not a parochial issue but a national issue to be decided nationally and we look forward to the outcome on that basis.

Thirdly, we are enthusiastically in favour of the United Kingdom retaking control of its own destiny, its own dignity; as a great trading nation re-establishing fundamentals like the right to be able to form trade agreements itself; the right to spend its own money on its own people, the right to have its own laws supreme its own courts supreme, in contrast to the present situation. From our perspective, we are very much in favour of the United Kingdom exiting from the shackles of the EU. Henry Reilly is with me today. Henry represents the once great port of Kilkeel and if there is a single industry that tells the tale of devastation of EU membership, it is the fishing industry and Kilkeel epitomises that. I



thought it might be useful if Henry were to talk about the impact on the fishing industry after 40 years of EU membership.

**Councillor Reilly:** Thank you. As Jim explained, Kilkeel was once the premier port on the island of Ireland, the biggest port within Northern Ireland. It has had a steep decline in activity and that is solely because of the restrictions that were placed on it by the European Union. We have survived as an industry but if you look at our counterparts in GB you will find that a lot of those were big corporate identities, big companies, and they succumbed very easily under EU pressure. We have survived largely because they were generational family businesses and they have children with extraordinary determination to keep going. Even today they will tell you things like the discard ban, which seemed sensible. As soon as Brussels got it they have now turned it into absolutely everything must be brought ashore. That means fishermen who are working 16 hours a day now have to devote a lot of their time to washing, cleaning, boxing and icing fish that have absolutely no commercial value. Whenever we get those fish into Kilkeel there is no market for them. There is no commercial value whatsoever. The only fishmeal plant in Ireland, in Northern Ireland or the Republic, is 150 miles away in Donegal and the transportation costs make that prohibitive. EU legislation tells our fishermen that they must comply in these matters to the extent that they want to put cameras on their boats, another aspect of policing that they do not want, but whenever a fishermen's co-operative does try to get planning permission for a fishmeal plant to process this unwanted fish, EU environmental laws and planning laws and that plethora of EU legislation that goes along with a sensitive issue like that, make it almost impossible to get that planning. So we are being hammered from both sides.

There is still a future for us, but only if we can extract ourselves from the European Union, and I can see a very bright future that instead of employing a few hundred it will go into thousands of workers. It will go from double-digit millions into possibly hundreds of millions. If you look at the £3.5 billion-worth of fish being imported into the UK every year, £2 billion-worth of those are caught in our waters by continental fishermen. Obviously there is huge potential for us. It is just a matter of people having the courage to leave the EU and I hope they will.

**Q462 Chair:** On the general trade issue, we built a great empire partly because of trade but has the world not moved on? Are things not different now? Should we not be dealing differently with the rest of the world?

**Jim Allister:** The world has moved on and the axis of world trade has moved way beyond the EU. The EU is now the moribund part of the world economy with the greatest fall in GDP. The growth markets are all outside the EU. As a nation, it is quite clear that if we are to follow the growth, then we must trade more and more outside the EU and yet because of the shackles of Brussels we cannot set that up for ourselves; we cannot make a trade agreement with anyone anywhere in the world. That is why the EU is such a millstone round our neck for growth and trade across the rest of world where the growth is. I think it is all very positive out there beyond the EU and it is all very restrictive within it.



**Q463 Mr Hepburn:** In the past 100 years-plus, Britain has been dragged into two wars in Europe, causing carnage among lots of countries. Lots of Irish and British people were killed. What I am saying is that the fundamental reason for the EU getting started in the first place was to stop this ever happening again, because people had those awful memories and awful experiences. Since then we have not had any real problems, although there are some flimsy, delicate democracies, or should I say countries, in Europe—you only have to look back at the Balkans to see what can happen. Taking everything else aside, do you not think that membership of the EU and being in unison with other countries in Europe to stop these world wars in Europe ever happening again is reason enough to be part of the European Union?

*Jim Allister:* No, because I do not think that is anything to do with being part of the European Union. It is NATO that has protected our defences and preserved the peace in the western world and elsewhere. It is not the EU. My goodness, if you look at the EU, what a shambles it made of the Balkans intervention. I don't think there is any comfort to draw from how the EU has conducted itself as an international power, as it likes to see itself. I think your question indicates what the ultimate agenda of the pro-EU lobby is: to create that great super-state with its EU army, its EU foreign service, with all the apparatus of super-statehood. Insofar as your question reveals that that is the true agenda, then I welcome it, but as for the contention that that has been the protection we have had against wars, I think it is absolute folly.

**Q464 Mr Evans:** What is your favourite scare story from Project Fear so far?

*Jim Allister:* I suppose that though the rest of Europe sells us far more than we sell them and therefore, even though they need us far more than we need them; that no one will trade with us if and when we leave the EU because they will be so annoyed with us that they will cut off every nose they have to spite every face they have. That is just so preposterous. I think that is the ultimate in scare stories: that, when you are running a deficit of the tens of billions of pounds that we are running each year in trade, somehow if we dare to leave the EU and follow the trade elsewhere, those who are making so much money out of selling to us will suddenly decide not to sell to us. I think it is absolutely preposterous.

**Q465 Mr Evans:** What is your judgment about the use of Project Fear as a tool to persuade people to vote remain?

*Jim Allister:* At one level I draw comfort from it in that it indicates to me just how panicked the remain campaign is that they feel the need at this early stage to stoop to that level. I think they run the severe danger of people just catching them on in that regard and in effect their latter end being worse than their first, and I hope that is what happens to them.

**Q466 Mr Evans:** Finally, we have had a number of witnesses before us today who have said, while they have not shown massive enthusiasm for the European Union, on the whole, on balance, they should remain in and then try to reform more. What is your view on that?



**Jim Allister:** I think we have to look at Mr Cameron's efforts at reform. I suppose you could say he asked for nothing so he didn't get anything. But did he bring back one penny of the £19 billion that we pay in a year? No. Did he repatriate a single power? No. Did he make our own Supreme Court supreme rather than the European Union Court of Justice? No. Did he re-establish any sovereignty for the United Kingdom Parliament rather than our laws being subject to EU treaties? No. So the reform agenda has been tried, has failed, and of course it is totally incompatible with the very ethos of the EU, which is about that ever-strangling notion of centralisation. It is no surprise to me that reform has not worked, won't work, and of course even when the puny suggestions were made that certain things have been achieved, we discover that they are all subject to the veto of the European Parliament or the European Court of Justice and probably none of them amounts to a row of beans at the end of it.

**Q467 Kate Hoey:** Henry, you gave us a very succinct outline on fishing. Jim, you represent a lot of farmers in your area. Do you want to answer some of the points about the scare stories about farming? Mr Cameron, or the Prime Minister, obviously thought it was important enough to visit Ahoghill, the constituency of my hon. Friend here. What do you think about that?

**Councillor Reilly:** I am from a farming family myself and speak to farmers every day. I represent the Mourne electoral ward, which is a huge rural area. It includes the Mountains of Mourne. The good thing from my perspective is that it is not a unionist-nationalist thing. I am meeting increasing numbers of small farmers, be they of unionist or nationalist perceived identity, who now realise that it is in their benefit to leave. The greening issues that came out of the last review of CAP, the compliance issues are just absolutely hammering small farmers. The traditional Irish conacre arrangements that farmers here have had for generations, literally generations, have been smashed by the EU. That is causing dreadful concerns for farmers. It is very difficult for them to maintain viable farms if they cannot rent off farmers who are no longer active and that type of thing. It is having a really bad effect. One of the reassuring issues for me was that the Labour Europe Minister—I just forget his name, but he was sacked by Mr Corbyn for supporting the bombing of Syria—when he was at the Newry Brexit debate, whenever the remainers were putting pressure on him to say, "Farm support will go when we leave the EU," he quite clearly stated that while he supported remaining in the EU, it was inevitable that the UK Government would provide farm support long-term because it is such a pivotal industry to the United Kingdom.

**Jim Allister:** Can I add to that? I think it is important to recognise that, listening to some people, you would sometimes think these were all free handouts from Brussels. This is some of our own money coming back to us. Therefore, if we were not within the EU, paying the phenomenal net contribution each year, we would have that money to spend on our own people as it should be spent. It was interesting that at the weekend in the local newspaper, the *News Letter*, the Secretary of State, Theresa Villiers, was very emphatic and very clear that there would continue to be farm subsidy. She said it was inconceivable, that just as there were farm subsidies before anyone had ever heard of the EU, so there would continue to be hereafter. They could be delivered free of the crippling bureaucracy that attends the farm subsidies from Brussels and could be far more efficient, far more directed and far more effective. I have no doubt that is among the scare stories that are



being tried to whip up opinion, to force people into voting, against their better judgment, to stay.

I am quite clear: I think farm subsidies will continue. There is a very good reason for that: because it is in the common interest of every single citizen that they do. What is one of the underlying effects of farm subsidies? It is safe food and cheaper food. If you did not have them, there would be dearer food and who has an interest in cheaper food? Every single consumer. Every voter in the United Kingdom has a common interest in the maintenance of subsidies in order to maintain the level of food production and the cost that manifests itself on our tables for us all. There are incredible scare stories there, which are utterly bogus.

**Q468 Kate Hoey:** One final thing, are you looking forward to after the Assembly elections being able to work across the party-political divide even with people that you perhaps might not normally get on with? Do you think this is quite interesting for Northern Ireland for parties?

*Jim Allister:* On this issue?

**Kate Hoey:** On this issue.

*Jim Allister:* Absolutely. I think this should not be an orange and green issue. Unfortunately, to date there seem to have been very few people on the national side prepared to put their heads above the parapet, but if they think about it in terms of trade and where benefits lie and the growth potential lies, they may well come to the view that they have nothing to lose but much to gain. Hopefully that will expand into a very hopeful campaign. It seems to me that all the doom and gloom and all the negativity is on the remain side, all the hope and positivity is on the leave side, and that is good.

**Q469 Dr McDonnell:** A couple of points, Jim. Welcome and thank you for the evidence so far. If I could maybe turn to Henry for a second on the fishing issue, how much is the fishing decline as a result of the EU and how much of it is as a result of over-fishing? I ask that genuinely because—

*Councillor Reilly:* I understand that. From an over-fishing aspect, if you look at, say, nephrops—prawns—France has 700 tonnes of quota, which is never used, in our waters that our people could be using. They just do not bother. If you look at whitefish like cod, hake, haddock, the French have hundreds of tonnes of quota that is not used or they use it in a very not-responsible fashion at times, whereas our fishermen, both here and on the mainland, fishermen down in Cornwall, they are sitting with their boats tied up looking at the French taking their fish, and it is very annoying for them. The Irish Sea is teeming with fish at the present time. There is loads of anecdotal evidence there from very experienced fishermen who will tell you the seas are full of fish. The recovery programmes have been very effective. It is not a question of fish; it is how the quotas are allocated. Our fishermen are only getting about 13% of the quota despite 70% of European fish stocks being within UK territorial waters, so obviously we feel very aggrieved about that.



**Q470 Dr McDonnell:** You mention the European courts. How much of the court system is tied to the EU and how much of it is independent of the EU? My understanding is that certainly the human rights aspects of Europe were all pre-EU.

*Jim Allister:* There are two distinct parts.

**Dr McDonnell:** Indeed. We are almost a legacy of the Second World War.

*Jim Allister:* We are talking about the European Court of Justice, the Luxembourg-based court, which is the court of the European institutions—the EU—as opposed to the European Court of Human Rights, which is Strasbourg-based and which is to do with the European Council; nothing to do with the EU directly. But it is the European Court of Justice that is effectively our Supreme Court in that we have a court in London we call the Supreme Court but it is subservient to any ruling that the European Court of Justice makes on foot of any treaty interpretation, and so on. In the pyramid of authority, the ultimate authority across the EU is the European Court of Justice, and that is totally incompatible with the sovereignty of a country being able to make its own laws and being able to administer its own laws by its own courts. There is no escaping the fact that the European Court of Justice trumps our own courts.

**Q471 Dr McDonnell:** If the UK does vote for a British exit, what sort of relationship overall would you like to see with Europe?

*Jim Allister:* I would like to see a good relationship, a trading relationship, a very friendly relationship, but one in which the United Kingdom would do what the United Kingdom does best in its own right, trades with Europe on foot of new and fresh trade agreements with Europe, but also is unshackled to trade with the rest of the world and make its own trade agreement where it suits its needs. It is an entirely positive picture and it is one I have no doubt where we would have viable, efficient trade agreements with the EU because of the balance of trade lying in circumstances where they need us more than we need them. We have the leverage to get the right trade agreements with the rest of the EU and would get them. Then also it would open up our possibilities elsewhere.

**Q472 Dr McDonnell:** Just on another point, I appreciate the view from a unionist perspective but do you feel the Union is safe if Britain leaves the European Union? How would you rationalise Scotland's position? How would you rationalise the very clear determination of Scotland in those circumstances to go it alone?

*Jim Allister:* That bemuses me because if British exit is the stepping stone towards the breakup of the United Kingdom then would you not expect that those who want the breakup of the United Kingdom—namely the Scottish Nationalists, the Welsh Nationalists, the SDLP, and Sinn Féin—would all be urging the stepping stone towards the breakup of the United Kingdom? But even Mark McDonald is campaigning for Brits in the EU. So it is preposterous to suggest that the United Kingdom, daring to reassert its own sovereignty and taking control of its own affairs, would lead to a breakup of the United Kingdom. The silliness of that is demonstrated by who wants to stay; the very people who tell us they want to break up the United Kingdom. What might ultimately happen if the United Kingdom leaves, there is every prospect in the evolving years that the



Irish Republic might see that their prospects look better outside the EU as well. It might wish to follow suit, but that would be a matter entirely for them as this vote is a matter entirely for us in the United Kingdom.

**Q473 Dr McDonnell:** Your answer reflects the complexity of some of the political issues we face. I do not think it is a simple issue of the thing being black and white in terms of the exit. It is a question of interests and the balance of interests flowing in various directions. The sense I have is that Scotland will be very determined to go its own way, to go it alone.

*Jim Allister:* Scotland wants to be independent of London but wants to put itself in a position where it is wholly subservient to Brussels. They call that independence. I just do not get that.

**Q474 Dr McDonnell:** They can call it whatever they like. The point is that appears to be the route they are taking.

*Jim Allister:* Why are they not campaigning for us to leave, to start the process, to get on the stepping stone to exit? They are campaigning for us to stay because they know perfectly well there is nothing like that.

**Q475 Dr McDonnell:** The balance of interest economically and otherwise are tilted in favour of staying.

*Jim Allister:* They discovered in their own referendum campaign that the balance of interest lay with staying in the United Kingdom and they will discover that again, particularly now the price of oil is a fraction of what it was during the referendum campaign in Scotland. The same economic compulsion will cause the canny Scots to realise the future does lie with the rest of the United Kingdom.

*Councillor Reilly:* Can I just say, Alasdair, a devolved Scotland and an independent UK would have more powers to set its own laws than the Republic of Ireland does now? If you look at the way Ireland has become completely subservient to Brussels as a result of their bailout package and whatever, it is a German satellite state now, whereas Scotland, a devolved country within a free UK, would have enormous powers to be able to develop itself that the republic just does not have.

**Q476 Dr McDonnell:** Henry, we should take you across to Westminster and let you talk to the Scottish Nationalists.

*Councillor Reilly:* I was the only councillor or politician—if you want to call it that—from here who lobbied in the referendum for independence of Scotland, and I would be talking to Scots every day or every week on a regular basis. I will promise you if there is a referendum after exit it will be a greater majority to stay in, I have no doubt.





**Q477 Ian Paisley:** Thank you, gentlemen, for your evidence. Henry, just over a year ago you very kindly phoned me one night—I am sure you recall—and you extended your sympathy to the manufacturers and workers of Gallaher’s JTI for the loss of jobs, which you correctly identified as flowing from an EU directive that did not help them at all. Today you have indicated the impact of job loss in another sector, the agrifood sector with regards to fishing. Do you agree with me that we stand to create employment opportunities if we leave the EU and the current EU directives are damaging employment in Northern Ireland?

**Councillor Reilly:** Absolutely. Within the fishing industry in particular, and farming, there would be a jobs bonanza, and those jobs would be located in areas where there is very little viable long-term employment at present. Jim said about UK farm support. A lot of that support could be targeted. Under world trade conditions, there are still limitations on what grant aid you can give to your farmers but there would be far more scope for targeted aid in certain areas and that is where we would benefit for the development of agriculture within Northern Ireland, Scotland, Wales and parts of England. But agriculture trade in the UK is quite diverse, as you know, and ourselves and the Welsh would have more in common. There are definitely huge opportunities there.

**Chair:** Thank you very much. A very useful session, thank you.

## Examination of Witness

**Witness:** **Colum Eastwood MLA**, Social Democratic and Labour Party, gave evidence.

**Q478 Chair:** We will crack on, if that is okay. Thank you very much for joining us. A useful meeting earlier but we will turn to EU referendum issues now. Would you like to make a brief opening statement?

**Colum Eastwood:** Yes, I will make a brief statement. Thank you for having me and you are all very welcome. Some of you have been here before, obviously, but you are all welcome back to Stormont. For us the European Union is the best example of peace-making anywhere. The example of two warring nations who came together, along with other partners across Europe, to build links and build economies is one that cannot be understated. Before we get into the discussions around trade and finances, it is important to note, especially where we sit, of the peace-building capacity and the example of peace-building that the European Union has given us all. It will come as no surprise to those of you around this table that the SDLP is firmly and unambiguously in favour of maintaining and strengthening our position within the European Union.

Can I also say at the outset that there is a world of difference between the real and sincere felt anxieties that have been expressed to date and the allegations by some members of the withdraw campaign that there is some sort of fearmongering campaign underway? People are capable of making up their own minds and when their instincts and reasoning tells them that a withdrawal from the EU will have a detrimental effect on their lives they should be given the courtesy of having their views listened to without being dismissed or despised. When those fears are being corroborated time and time again by a range of



experts from across a wide range of fields and disciplines, all of us, regardless of our stance on the issue, have a duty to listen and listen carefully.

It is said by some that politicians use statistics as a drunk uses a lamppost, for support and not illumination. For an issue as fundamentally important as this, it is crucial that we pay due heed to all the information that is put before us and there are some common questions emerging from the research that has been published to date. The first of these questions is the economic impact on Northern Ireland. The cost to our economy of being pulled from the European Union has been described by Professor Leslie Budd, among others, as being too large for Northern Ireland to bear. A recent report from Whitehall describes a decade of uncertainty, accompanied with the inevitable economic instability, where the median economic forecasts, which include the most avidly Eurosceptic assessments, is for a 3% reduction in GDP in Northern Ireland.

There are some who argue that a withdrawal from the European Union will allow us to increase our international trade with fast-growing economies like China and India and deepen our economic links with North America. The weakness in this argument is that membership of the EU does not restrict our current ability to trade with the rest of the world. Invest Northern Ireland regularly sends trade missions to emerging and established economies across the world. One of the very first acts of our current Secretary of State was to ask if she could accompany those trade missions around the world. The EU is currently negotiating major new free trade agreements with the United States and with Japan, and it is by being within the European Union that not only do we have access to these agreements but we also have the strength to ensure that these agreements benefit us to the greatest possible extent. It is by being within the EU that we have managed to, for example, prevent and remove the more regressive aspects of TTIP. Acting alone and in isolation we could never hope to hold such a strong bargaining position with a nation as powerful as the United States.

In terms of Europe itself, for us to leave the single market would, at one stroke, make a mockery of our years of effort to attract foreign direct investment, not least with our cross-party campaign to lower corporation tax. The FDI is hugely important to Northern Ireland as the nature of this type of investment is one of high productivity, value and wages. This type of investment also brings new technologies and skills, allowing our own domestic economic development and diversification. This is vital for Northern Ireland if we wish to escape the low value, low wage cycle that has trapped us for generations.

The loss of FDI will have huge impact on trade on the island of Ireland. Over two-thirds of FDI employment in the republic is by American firms. FDI in Ireland is not European companies seeking to be closer to the Atlantic but American companies using Ireland as an Atlantic bridge to Europe. It is not a coincidence that the factors that have seen the greatest growth in the republic—life sciences, agrifood, advanced engineering, to name a few—are the exact sectors that form the core of the Northern Ireland economic strategy. It is a matter of common sense that we should be seeking to grow these sectors on an all-Ireland basis and not allow the imposition of new economic buyers and customs posts on the border.

This is before the real and sudden loss of direct European funding that Northern Ireland currently enjoys. Between 2007 and 2013 we received £1.39 billion for regeneration and jobs projects through the EU's regional policy, and we will benefit from a further £1



billion in the current 2014 to 2020 rounds of EU funding. The attempts by some to suggest that Northern Ireland is not a net beneficiary from the EU is misleading at best. By population, Northern Ireland's notional contribution is at almost £400 million a year and the latest year for which both statistics are available—2014—clearly show that Northern Ireland farmers alone got £300 million through the common agricultural policy and £133 million for rural development from structural funds. That is before we consider the massive contribution we have received through research and development projects, cross-border projects and success of community peace programmes. I find it hard to believe that any elected representative in Northern Ireland cannot see the direct benefit European funding has brought to their constituencies. I see it every week in the community organisations I support, the farmers, the fishing industry people, and businesses I speak to, the research centres I visit around universities, and on the very roads on which I travel between these places. Those problems that still remain with regards to our development and infrastructure can only be solved by greater partnership with the European Union, not less. Thank you very much.

**Q479 Chair:** Thank you very much, a very full statement that provoked a number of questions. I will pick up on one of the issues you raised about low wage economy. What did you make of Lord Rose's statement that wages would be likely to rise if we left the EU? He is chairing the stay campaign. It was an extraordinary statement.

**Colum Eastwood:** I cannot answer for Lord Rose. I am not sure where he was getting his information. I would find it extraordinary—especially in a place like Northern Ireland that has relied so heavily upon the EU and our connection with the European Union, not least with our connection with the Republic of Ireland and our very strong trading relationship and just our very strong relationship—that an exit from the European Union would bring about lower wages. I cannot answer to somebody else's statement but I do not understand.

**Q480 Chair:** To be fair, he was referring across the United Kingdom but I presume he was basing it on the fact that if fewer migrants came to this country it would stop the depression of some wages. I think that is what he was referring to. He is a businessman of some note. He is leading the stay campaign. You mentioned about listening to experts. Should we not be listening to him on that respect?

**Colum Eastwood:** We should listen to all experts, and most of the business people that we listen to tell us that migration has been, in large parts, a very positive thing in terms of the economy. There have been many jobs and we are attracting people from right across the world to come and work here. That is surely a positive thing. We do not have a major migration issue in Northern Ireland; we just do not. I would like our economy to be doing better, so we are attracting more people to come and work here. I am being positive about working of that.

**Q481 Kate Hoey:** Does it not worry you that some of those experts are the very same experts who said that if we did not join the euro the United Kingdom would be lost in terms of its economic future?

**Colum Eastwood:** Whatever about that, it is fairly obvious—it is obvious to me, if many people around this table disagree with me—to me that our involvement in the European Union has been a positive thing for Northern Ireland; economically, socially, peace-building, all those things. I have not heard what comes on day one after we leave. I have not heard but I am sure some of this will come out in questioning. On any of the issues that we talk about, I have not heard what the plan B is. That is as scary as anything.

**Q482 Mr Hepburn:** On the issue of direct funding, we have been told today that the loss of direct funding from Europe is a bit of a red herring because we could take it over as a British Government rather than paying the money over there and taking it back home, recycling or whatever. We have been told that is not an issue because that amount would be compensated for by the Barnett formula. Can you tell us why and is it true?

**Colum Eastwood:** I do not think it is true. Some people have greater faith in this British Government than maybe I would. I do not see George Osborne, or whoever, running to the defence of small Northern Irish farmers or of community groups who have received hundreds of millions if not billions from the European PEACE funds, that of course John Hume and Ian Paisley's father were involved in negotiating. I do not see how any British Government would decide to fund those things. I bet they will not, but I have no confidence that they will. If I was a small farmer in the glens of Antrim or somewhere I would not be overly confident that the British Government will be rushing to compensate me for the loss of a falling euro. I am naturally maybe cynical about that stuff but most people would have the same view.

**Kate Hoey:** Not most people.

**Colum Eastwood:** Most people here.

**Kate Hoey:** No, not most people.

**Q483 Mr Evans:** You are probably a bit younger than me and I was too young to vote in the last referendum. Will you concede at least that the European project that people saw in 1975, when we had our only referendum on the European Union, is completely different because of all the treaties that have taken place since?

**Colum Eastwood:** That is a function of the fact that the British constitution is not written down. I know across the border there have been many referendums, maybe nine. That has been a positive thing, that the people of the south have been involved in any of the changes that have been made. As a democrat, that is a positive thing. Things change and evolve that are different. There are things that you like to see done differently. I would like to see the European Parliament being a bit more sovereignty resting with the European Parliament, a bit less red tape and all of these things. But in general it has been a positive experience for us. If you look even just generally at the last century, we had major European powers at war with each other, millions of people dying senselessly, and now they are all working together on a political project and an economic project that has, with all its faults, kept Europe at peace.



I know that is a big broad concept but sometimes that gets lost in the minutiae of the arguments. When we are sitting in a building where hundreds and thousands of people had to die in order to achieve peace and civility and democracy in Northern Ireland, it is important to remember the legacy of peace-building the EU has given, not just as an example but also in terms of real hard cash they have given to people in Northern Ireland. That is something we should not forget.

**Q484 Mr Evans:** I want to track down into the NATO versus the EU aspect of it, but I want to stick on this thing of joining the Common Market and today it is more of a political entity. Do you accept at least this?

**Colum Eastwood:** It is more of a political entity than it began as. Sovereignty still rests with the national parliaments. We are sitting in a regional assembly. I would like some day for sovereignty to rest in Dublin, but unionism is quite comfortable and sovereignty stills rests in London where we can devolve powers to here. We can share sovereignty and pool sovereignty with other European nations. I do not think that threatens any of our nationalities or desire to see sovereignty within our own nations. I do not think that has necessarily undermined any of that.

**Q485 Mr Evans:** Do you not find it a little odd that within the UK Parliament we cannot even set the VAT rates on sanitary towels without going to Brussels and asking their permission?

**Colum Eastwood:** That is obviously a very interesting example, but I do not think—

**Mr Evans:** It is because it is classed as a luxury good and, without their permission, it has to stay at the VAT rate that it is.

**Colum Eastwood:** It has not affected my life and I would imagine that most people in Northern Ireland would think the same. There are always going to be examples like that that you can use, that stir up controversy and get people on their high horse about these types of issues. The bottom line is, it has been a positive thing.

**Q486 Mr Evans:** Where my argument was going is that you mentioned corporation tax and you want a competitive low rate here. The trajectory of travel, which everybody concedes is not Common Market anymore, is far more political. How can you say with any certainty that in five or 10 years' time you will not be signed up to a common corporation tax throughout the whole of the European Union?

**Colum Eastwood:** They have been saying that in every referendum that I can remember in the south—because they lowered corporation tax many years ago, decades ago—that, “If you vote for this you are part of change corporation tax and to keep corporation tax at the current level is under threat.” That has never happened, partly because the southern government have always jealously guarded that power and it is important that they do, in the same way as we should do as well because there is lots of room for regional policy to be set around fiscal powers and anything else. It just has not happened. That power has never been taken away from the Irish Government, and they have used it to great

advantage. We can do the same. I am not somebody who believes that lowering of corporation tax is a panacea. It will take a lot more, we have to invest in infrastructure and investment skills, but that is on the side.

That power has never been taken away from the Irish Government. After almost every referendum since they lowered corporation tax, the people who are arguing against a yes vote in those referendums always said that corporation tax could not be maintained at the level it was. That never happened. I have no evidence to suggest that it will.

**Q487 Mr Evans:** You were sitting in earlier on and you heard Henry speak about the fishing industry. In your statement you talked about how wonderful the European Union had been to fishing and it did not marry up. According to Henry, he believes that there is going to be a bonanza within fishing in the United Kingdom should we leave the European Union and the EU has devastated fishing in his area.

**Colum Eastwood:** Henry knows a lot more about fishing than I do, but I do not believe for a second that there is going to be a bonanza of jobs falling out of Brexit in terms of fishing. What does it mean for fishermen in Kilkeel or anywhere else in terms of what waters they can fish if we leave? Does anybody know? Can fishermen land their stock in Dublin? Can they sell their cod and their salmon in markets in Dublin?

**Q488 Mr Evans:** Henry knows what has happened to fishing since we have been in the EU.

**Colum Eastwood:** It is much more complicated than the European Union. The debate around fishing is much more complex than just our membership or otherwise of the European Union. It is about size of boats, investment from different parts of the European Union and all sorts of things. It is about fish not existing anymore in the same way that they did. I think Henry talked about some of the work that had been done to replenish some of the fish stocks. A lot of that has been done with the European Parliament and the European Union. It is not as simple as just to say that we leave tomorrow. I do not see where this bonanza is coming from. I would love to see how he has worked that out.

**Q489 Mr Evans:** My final question is: if you were advising Angela Merkel on 24 June, after the United Kingdom votes Brexit, would you advise her to cut off the noses of the German industry who have a deficit with the United Kingdom? We have a deficit with them of £27 billion a year. Would you sacrifice those hundreds and thousands of jobs in order to punish the United Kingdom?

**Colum Eastwood:** It is quite unlikely that I would be advising Ms Merkel on anything, but what I would say is if Britain thinks that it is in the interest of the European Union post Brexit to encourage other European Union members to leave by giving Britain very favourable trade agreements at the very beginning, or just after they leave, I do not think that makes any sense for the European Union. The European Union will surely want to discourage other member states from leaving.

**Mr Evans:** Even with the deficit?

**Colum Eastwood:** You might end up getting a good trading agreement with them. How long is that going to take? Is that going to take five years, is it going to take six years? What is going to happen in between to all those businesses that rely upon trading arrangements that they have right now? I do not see it.

**Mr Evans:** If I was Mercedes, I would be petrified.

**Colum Eastwood:** They might well be.

**Mr Evans:** Because Mercedes sell 150,000 vehicles into the UK every year.

**Colum Eastwood:** I think Mercedes are happy with the arrangement they have right now with the—

**Q490 Mr Evans:** And they would not want it to stop. So why are you embarking on Project Fear that all these jobs would—

**Colum Eastwood:** I have no interest in Project Fear. What I do not understand is why anybody from your side of the argument would say it is going to happen on the 26th or whatever day because nobody has told me with any certainty what the trading relationship will be with the European Union after Brexit. Nobody has told me. Nobody has set it out. If someone wants to put it out there, I will happily look at it—but not people saying with a nod and a wink, “Oh they will have to do it: Mercedes will go mad,” and everything else, when there are so many considerations. Does the European Union want to encourage other member states to leave because, “If you leave it will be all right, because we are looking after you, do not worry about it”? I do not see how that plays out in the European Union’s benefit, Germany or anybody else.

**Q491 Kate Hoey:** But Colum, there is so much more trade for Northern Ireland going outside the EU, that would carry on on 24 June, because nothing would change in that. We would simply then start to negotiate what we were going to do with the EU and that is such a small part of what Northern Ireland does.

**Chair:** Expanding that point slightly, we do get a lot of imports into the European Union from countries way beyond it, some of which we have trade agreements with and some which we do not. The question I would ask is: why would we somehow be unable to trade with the EU when countries across the entire world already are doing it? You look at your clothes, your household products, look at many things in your life, and they have come from way beyond the EU. I think I am right in saying world trade rules would stop the European Union from penalising us. I think I am right in saying that.

**Colum Eastwood:** Nobody is pretending that we are not trading with the world.

**Q492 Chair:** I know, but why could we not trade with the EU if we are not in it when countries across the world do?

**Colum Eastwood:** We could trade with the European Union, but on what terms will we be trading?



**Q493 Chair:** Other countries seem to have terms that are favourable enough to send their goods here, which are still cheap enough for us to buy them.

**Colum Eastwood:** The other silly argument, though, is that we are part of a very strong trading bloc being within the European Union. That gives us the opportunity to argue for beneficial trading relationships with the rest of the world. I am not so sure it will be as strong if Britain leaves and some people need to get over the fact that Britain is not the massive colonial power that it used to be.

**Kate Hoey:** We are the fifth strongest economy in the world.

**Colum Eastwood:** The point I am making is that obviously we are stronger in having those relationships, having those arguments, debating our negotiations around trade. We are stronger when we are doing it alongside our partners in the European Union and that makes fairly—

**Q494 Chair:** That is one way of looking at it. The other way that some people would look at it is the European Union are just concluding a trade agreement with Vietnam where there is about 100 million people as against 500 million. Is one of the reasons it takes so long for the EU to get trade agreements the fact that it is a threat to some countries? If I were Vietnam, for example, I would look at 500 million people who might send goods to Vietnam and that might frighten me off. Is that not one of the reasons why it does take the EU so long to get trade agreements? There are other reasons as well but is that not one of them?

**Colum Eastwood:** It may well be and there are all sorts of factors when it comes to negotiating international trade agreements, but I keep going back to this point that, as Nigel said, either he or I or somebody is going to be advising Angela Merkel after this is all over and nobody knows what she is going to turn round and say. That is a huge unknown. I do not think anybody can give confidence to businesses here or in Liverpool or in Glasgow that we know what is going to happen on day one after Brexit. For me that is a no.

**Q495 Nigel Mills:** It is worth studying the UK-Ukraine free trade agreement. I do not know whether you have had the chance to look at it, but the Ukraine has 10%—

**Colum Eastwood:** I am pretty sure I have not.

**Nigel Mills:** —of our economic size and yet the free trade deal with them, in a largely corrupt and black market economy, eliminated 98% to 99% of all tariffs, even though the EU's trade surplus with the Ukraine was only £3 billion. It is hard to see that they would not fancy doing at least as good a deal as that with a surplus of goods at £80 billion to go out. Perhaps we could move on to your manifesto from last year's election. I accept this was not your drafting, so you can feel free to reject some of this, but in your economic policy you had a few ideas like a 5% rate of VAT on tourism, stuff that we can't do while we are still in the EU; a comprehensive industrial strategy to develop advanced manufacturing and leading service industries, which would probably be state aid that you can't do; reforming public procurements so it becomes more accessible to small local businesses, eliminate red tape,





either of which you can do while in the European Union. Do you not think that these were pledges and promises that you thought were very important to your economy, which would be much more easily and effectively delivered were we not in the EU?

**Colum Eastwood:** The Republic of Ireland has a reduced rate of VAT for the tourism industry. They are part of the EU.

**Nigel Mills:** Yes, but you cannot change it in Northern Ireland.

**Colum Eastwood:** No, but we are changing corporation tax in 2018 by negotiating—

**Nigel Mills:** You cannot change VAT rates as one part of a member state; it has to be the whole member state.

**Colum Eastwood:** We are changing corporation tax rate, and I would say that they are the same arguments that were made.

**Nigel Mills:** Different rules; the EU do not allow it.

**Colum Eastwood:** I know that is the answer, but I am just saying it should not be the end of the argument.

**Nigel Mills:** It is just blanket: the EU do not allow you to have different VAT rates within member states.

**Q496 Gavin Robinson:** Chair, just to be clear, we are not changing corporation tax rate—the Treasury expects. We just have to pay the difference.

**Chair:** There are consequences to it.

**Colum Eastwood:** I absolutely get that, but what I am saying is the impact on the public of the businesses here is as a reduced rate.

**Q497 Nigel Mills:** On VAT you cannot do it. You have to have the same rate across the member state on the same service.

**Colum Eastwood:** Maybe you should think about bringing that up in Britain. There would be very positive benefits.

**Q498 Nigel Mills:** Many people have, but the EU are very jealous of their VAT, as their EU-wide tax, and they will not change that; in fact, they would be much more likely to take away the lower rates than they would be to expand them. So there is that promise that you could not have delivered. Things like an industrial strategy and changing procurements. You cannot favour small businesses to that extent over large businesses. You have to have EU-wide procurement things. You just cannot do it. Did you not think there are not very many attractive things you would be much freer to do to get the economic growth that you would like to see if we were outside the European Union?

**Colum Eastwood:** No, not really.



**Nigel Mills:** You were promising them a year ago.

**Colum Eastwood:** What is most important in terms of changing our economic fortunes is, yes, of course we have a big carrot of reducing corporation tax. That is very important, so that is the tax issue, which we were able to do as members of the European Union; no matter how we ended up doing it, we are doing it. But I also think we need to invest in talent, so we need to invest in higher/further education and also in terms of infrastructure.

If you look at the European Investment Bank and the money that they have spent in investing in the University of Ulster, going to the centre of Belfast, that has been a positive thing. I would like to see far more of that investment going outside of Belfast. But if you look at the south in terms of infrastructure—our other big deficit—the European Union has been very positive in allowing that development of infrastructure to allow their economy to grow. I would stand corrected on this, but the Republic of Ireland’s membership of the European Union has been probably alongside their investment in infrastructure, their investment in higher and further education, and their lower corporation tax has been a key part or their membership of the European Union has been a key attracter in terms of attracting American companies to come to the south. You have seen how they have been able to weather the economic storm that they have been through because it is such an open economy and because we are part of the European Union, and all those things. I would be very sceptical. I know that Jim, before me, said that maybe the Republic of Ireland would consider leaving the European Union. I am going to try to see if Jim will take a bet with me after this because that will—

**Nigel Mills:** Yes, can I join you in that? They know which side their bread is being buttered.

**Colum Eastwood:** Exactly.

**Nigel Mills:** So we will move on from your own manifesto to—

**Colum Eastwood:** The manifesto has not been written yet but I am working on it.

**Q499 Nigel Mills:** What is your vision of what the EU will look like in 10 years’ time? You do not want to do Project Fear, so what are you selling to people, as “Here is what it will look like in 10 years’ time if we stay in”?

**Colum Eastwood:** I am not interested in Project Fear. I am honestly asking very simple questions about what happens next, and that is a good way of doing business. I know what has happened to Northern Ireland, I cannot speak for—

**Q500 Nigel Mills:** Sorry, the question I asked you here was a simple question: what happens next in the European Union if we stay?

**Colum Eastwood:** I am answering your question, but I will answer it in the way that I choose to answer. You also accused me of doing Project Fear.

**Nigel Mills:** No, I said you rejected Project Fear. I was quite clear.

**Colum Eastwood:** Okay, I did not hear you then. I do not believe in Project Fear, I will repeat myself. I believe in asking the questions about what is coming next. I do not know what is coming next if we leave the European Union. I do know what has happened here. I know that billions of pounds have been pumped into farming, communities and peace-building here. The opportunities have allowed our businesses to grow, so I know what has happened. I would like to continue that. I would like to see that continue. I would like to see us play a full role as part of the European Union. If you also look at the peace process here, the European Parliament was a key factor in bringing two nation states together and the Good Friday agreement, and the reason we are sitting here is as a result of two nation states coming together in the context of the European Union and making an agreement that we could not make for hundreds of years. So all of that has been positive for Northern Ireland. All of that has been very positive for people here and for peace-building. The European context has been there in the background the whole time.

I want it to continue; I want the relationship with the European Union to continue; in fact our membership to continue. I have outlined what the positives are for that and how positive it has been for people in Northern Ireland.

**Q501 Kate Hoey:** Did the United States have nothing to do with the peace process?

**Colum Eastwood:** Absolutely, yes.

**Q502 Jack Lopresti:** Explain the context within the European Union, then.

**Colum Eastwood:** I can go back over the history if you like, but the three sets of relationships that were enshrined within the Good Friday agreement, which talked about relationships within Northern Ireland, relationships between Northern Ireland and the south and relationships on an east-west basis. That was the brainchild of John Hume, who took his inspiration from the European Union and understood—*[Interruption.]* You might laugh, Kate, but that is what happened.

**Kate Hoey:** I'm not laughing at John Hume; he did a good job.

**Chair:** Order.

**Dr McDonnell:** I am leaving, Chair. You have to control that—

**Chair:** Order.

**Dr McDonnell:** That's public slander; that's not acceptable.

**Chair:** Order. Can we carry on?

**Dr McDonnell:** That's the second time today.

**Q503 Kate Hoey:** John Hume played an amazing part in all of that. My point was in terms of the EU relationship.

**Colum Eastwood:** The EU understood, and if you look at the PEACE moneys that have come here, that was as a direct result of understanding the need for investing in our communities and investing in peace-building here. The European Union did that, it was Jacques Delors because of people like John Hume and Ian Paisley's father, and other people who were—John Taylor and Jim Nicholson, and all those people who contributed to that. But the political context of that has been within the European Union. Of course the Americans were very helpful. It was John Hume again who brought the Americans on board when nobody wanted to listen. I just think it is within the European Union, two nation states, the British Government, the Irish Government, has been an international agreement recognised in all those relationships. It is quite obvious.

**Q504 Danny Kinahan:** I want you to comment on this, Colum. I met one of our top investors here in Northern Ireland and he said to me that if we leave, he believes it will cause significant damage to the United Kingdom economy in the short to medium term, not long term. Then he said, "The price of the UK exit will, in my view, be paid to a larger extent by the weaker layers of the population, as a lot of jobs in manufacturing and service industries will be lost." Have you spoken to many businesses manufacturing here to get a real feel? Is that what you are hearing?

**Colum Eastwood:** I do not know the figures. There was some study done with some Northern Ireland business organisations and the overwhelming majority of their members wanted to remain. They understood the connections that Europe gave them, and they were just afraid of what was coming afterwards because nobody has spelled it out to them. What comes next? In business you need certainty. In business you need to be able to plan five, 10, 15 years in advance and if we leave the European Union businesses cannot plan six months in advance. I do not think that is a positive thing for companies. I do not think it is a positive thing for workers who have also benefited very much from membership of the European Union.

Again, I have not proposed an exit. Other people have proposed an exit. They need to explain what it means. I do not think they have. That is why that business person and other business people are concerned about what happens next.

**Chair:** We will have to leave it there. Thank you very much.

### Examination of Witnesses

Witnesses: **Steven Agnew MLA**, Green Party in Northern Ireland, and **Councillor Ross Brown**, Green Party in Northern Ireland, gave evidence.

**Q505 Chair:** You are very welcome. Thank you for joining us. We will move straight on, if you do not mind. Is there a brief opening statement you would like to make?

**Steve Agnew:** Quite brief, yes. First, thank you all for the invite. It is good to see some familiar faces and some friends as well. You can decide that anyway. The Green Party in Northern Ireland is supportive of having the EU referendum. I know that argument has



been had in the past but it is important to say that all along we were supportive of the idea of having a referendum, giving people a say, improving democracy within Europe, and giving, certainly people of my generation who have never had the opportunity to have a say, that opportunity. That said, we will be campaigning to stay in. We would describe ourselves as a party as critical friends of Europe. It is not that we believe the EU institutions are perfect but we do believe that Northern Ireland as a whole is better off in the EU than out of it.

There is an analogy between the European institutions and our institutions here in Northern Ireland in that they are still relatively young, and their purpose of establishment there are similarities as well. The EU was formed to bring peace in Europe to stop wars within the EU and the Northern Ireland Assembly was developed as part of a programme of peace also. What we need in Northern Ireland and where we can improve in the EU is governance and delivery. The institutions need to evolve. Our key thing is to make them more democratic, more accountable. There is a feeling of disconnect with Europe and we do think that needs to be addressed. There are various facets of that—I will be brief, so I will not go into them—but it is about reforming Europe but, again, doing that within rather than without.

We believe international structures are necessary given many of the global issues we face. Obviously my party has a key interest in climate change but if we look at other issues as well, such as international terrorism, some of the issues around tax avoidance, we believe international structures are needed to tackle these issues and to give that democratic accountability, albeit the democratic nature of the EU could be improved.

Again, those are examples of areas where we need to work across borders because the issues operate across borders and it is better to have some form of international democracy, albeit an imperfect one, than to have none at all.

As well, if we look in Northern Ireland, certainly—and this probably does read across to the UK—if we look at the key aspects of public policy, the economy, the environment, the main business organisations seem to want to stay in. I am on the Enterprise Trade and Investment Committee and we heard from the CBI, who indicated that the majority of their members wanted us to remain. The majority of trade unions believe workers' rights are better protected in the EU. The community and voluntary sector wants Northern Ireland to remain and the environmental sector wants Northern Ireland to remain too.

When we look at the key voices around some of the pillars of public policy, there is an agreement, and we had indications recently from the Ulster Farmers Union. These are organisations that are not used to agreeing, and environmentalists and business organisations and trade unions and employers are singing from the same hymn sheet. I think it is important. Sometimes politicians it is more important to listen.

Our view, as a party, is the arguments are very much in favour of us staying in. That is not to say the institutions are perfect. We can reform them; we should always be seeking to improve whatever institution, as I seek to do here in the Assembly. But just because something is not perfect does not mean you should get rid of it; improve it.



**Q506 Chair:** Thank you. You have mentioned a number of positives about the European Union, but with regards to a reformed EU, we have been in it 43 years now and all that time people have been saying, “We need to reform it,” and a lot of people say, “Yes, I would vote to stay in a reformed EU.” The question is, when is that going to happen, because if it is not going to happen on the very real threat of an exit of one of the biggest players—and I say this as a Conservative Member—when the Prime Minister has come back with virtually nothing, you cannot claim to have reformed the EU. If it cannot reform under those circumstances, when is this great reform going to take place?

**Steve Agnew:** What do you want the reforms to be in? Perhaps you and I might disagree as to what those look like, so if we choose to stay in—and I hope we do—that is a further conversation we need to have. I know the question came to Colum before me: what does the EU look like in the future? We have to have that conversation and change in politics is slow. The bigger a structure gets the slower it is to change. That is true across the board, so changing the Northern Ireland Assembly is very slow. We are getting there, we are seeing some changes in our institutions. Europe is going to be even harder. You are looking at greater agreement across many more countries, many more participants, to achieve that change. It is reform rather than revolution is my answer. It is not going to be a case of—and that is coming from a Green: we are quite keen on revolution.

It is an incremental process and people will not necessarily see it. I am not going to make false promises. We are talking about a project theoretically and I am not going to give false hopes. I am not going to say, “Well, if we stay in in the next year, next five years, we are going to see this brand new Europe that everyone will like.” If you are pro the institutions, you are going to support that reform within. If you are not, you will want to come out. But again, for me, to make a stand and say the only way forward—I do not know if you have anything to add to that, Ross.

**Councillor Brown:** It is the issue of what type of reform do you want; it is going to be different depending on your political background.

**Q507 Gavin Robinson:** Good afternoon, gentlemen. Steven, you are probably what is known as an honourable socialist and there are a few of them.

**Steve Agnew:** That is going on my election—

**Gavin Robinson:** You have used the phrase “critical friend of the European Union”, and that was a phrase echoed earlier by Sinn Féin as well. I do not think it should be lost on us in the UK that we treat the European Union completely reverse to most countries in Europe. Labour left, socialists in Europe struggle with the European Union, because they think it is pro-business and not for the worker, whereas that seems to be a different experience here in Northern Ireland and the UK. Is there any reason why that would be the case? Because David Cameron was of the view once that euro was bad for the worker. That is a view that is outwith the mainstream of the left or socialism in the UK, but not in Europe.

**Steve Agnew:** I am speculating, so obviously it can be different for others, but there are a couple of reasons why, as Greens, that criticism comes in too. One of our principal policies is decision-making at the lowest effective level and some Greens believe then that means we have to come out of the EU; lowest effective level means UK level or even



Northern Ireland Assembly level, wherever it might be. But that word “effective” is important. Those issues I talked about, the international issues, climate change, and so on, if we want to be effective in those issues, I do think we need to be part of a larger power bloc. Sometimes we want the greater say; democracy means look closer to home, local, and that way we will have a greater say. But the word “effective” is important and whatever happens we will have international agreements across the board. At least with the EU we do have a say through the elections for the European Parliament. While the Parliament does not have the power, we would like it to be within the EU context. That is maybe one of the reasons, but I disagree with that.

The other reason is sometimes when we had the eastern European states come out, there was a feeling there was a deflation in wages. My response to that is—as somebody who is described as an honourable socialist—about solidarity. The counter to that was that wages had to go up in Poland to keep workers there and to attract workers back. So yes, there was a temporary move towards better wages. I believe that if you are going to have free movement of capital, you need to have free movement of people to go with it. Overall, if we have solidarity across Europe, it should be about all workers rather than our workers here. The fact that we have that free movement, the effect in Northern Ireland is that we have net emigration—we have more people leaving than coming in. Again, it is a benefit for our young people who unfortunately do often have to go away to seek work elsewhere. There is hope in Europe in that sense, so it can play two ways. Obviously I want to improve our economy here and keep those people here but the EU gives them that opportunity.

**Q508 Gavin Robinson:** Focusing on business and trade deals as one example. I fully expect people will be swinging from the rafters when TTIP is finally published and people know what the details are. The one way you can protect the UK from TTIP or protect the NHS from privatisation through TTIP is to leave the EU. Yet you are fundamentally opposed to a lot of these initiatives but you want to remain wedded to the organisation that delivers them for you.

**Steve Agnew:** First, protecting the NHS from privatisation from the Government would be still a challenge.

**Q509 Gavin Robinson:** It is the US TTIP, it has gone from 4% to 6% in the NHS over the last six years.

**Steve Agnew:** No, I get that and this is one of Ross’s areas of expertise, so I will pass over to Ross.

**Councillor Brown:** Given that TTIP was launched in Lough Erne by the UK Government is a sign whether or not we are in Europe TTIP is going to be something that is driven as a policy agenda, I imagine, by the UK Government. In fact pulling out of Europe could make that initiative even more likely because they would—

**Gavin Robinson:** We would not be a signatory.

**Councillor Brown:** They would then be looking for a trade.



**Gavin Robinson:** We would not be a signatory.

**Councillor Brown:** That is what I am saying. What do we have if we pull out of Europe? We would be looking for a trade then and what trade will we be hoping to sign up to? I imagine that if Europe has just signed TTIP, then there will be a push for the US to be involved in that as well—perhaps not, but that is if TTIP even gets through. It is going to have to be democratically ratified by the Parliament, so ultimately those decisions are being made by the Commissioners, which are of course appointed by democratically elected governments but also have to be ratified by democratically elected members. Sometimes democracy does not give you what you want, but that is the reality of what democracy is about.

**Gavin Robinson:** Better the devil you know.

**Councillor Brown:** Perhaps, yes.

**Q510 Mr Evans:** I am fascinated that you are not happy with the European Union and you think that it should reform more, but could you just give us an indication as to something that does upset you about the EU?

**Steve Agnew:** It is that level of disconnect. I spoke recently at a schools event and people were asked to put their hand up and name their MEPs, and of course very few could, so that level of disconnect. There is responsibility—

**Q511 Mr Evans:** How would you better connect that then?

**Steve Agnew:** It is a challenge, because Europe's nature is complex. To be fair—our Northern Ireland MPs can tell me if I am wrong—the media report very little even on what our Northern Ireland MPs do in the House of Commons. How do we get them to report what our MEPs do? The fact is, the media that do not understand; our media certainly. I know we get a lot of UK coverage of it, but even then it's not the Parliament; it's the arguments around Europe. I do not know how you educate journalists. I do not know if it needs to be taught in journalism courses, or whatever it might be, but how do people engage with politics? Usually through the media. If the media are not engaging with Europe—so that is a challenge, undoubtedly.

**Q512 Mr Evans:** Could I throw one at you, which is one that irritates me? Travelling between Luxembourg and Brussels, I think it is 10 months of the year, at a cost of over €100 million to do that, when clearly I do not care where they sit to be honest. They can sit in Brussels or Luxembourg or Timbuktu, as long as they go there and stay and save all that money. This is something that we have been banging on about for years, and yet we have made no progress at all because of the interests of France. It is a good obvious change. If we cannot even make that one what hope do we have of making any fundamental reform, as the Prime Minister spoke about in 2013 in his Bloomberg speech?

**Steve Agnew:** The Green Party hates waste, and that includes waste of money and undoubtedly there are ways that Europe could be more efficient and reduce that waste. It is a starting point. A lot of people would be more sympathetic to the EU institutions if they





were not deemed to be bureaucratic and wasteful. It is a good place to start. How we get these reforms, it is the problem with getting large numbers of people to agree, but at the same time I would say we do this across the piece. We have umbrella organisations in a lot of fields. I mentioned maybe some of the business ones like the CBI where bodies get together and say, “We need an overall structure, an overall part, which represents us collectively when we go into negotiations.” To me, the EU is a part, an equivalent to that in a much larger political scale. We need to be part of a bigger power bloc to push our best interests throughout the world. While we might be frustrated with some of the problems of Europe, I do not think we should jettison it.

**Q513 Mr Evans:** But we are likely to get more of the same, are we not? Over the next 10 years there is nothing that has happened even with us threatening to leave the European Union when negotiation was described by one MP as thin gruel.

**Councillor Brown:** Maybe if I can come back. You asked about how well the—the point that you just made, but from our perspective it is looking at “How can we make Europe more democratic and directly democratic?” For example, the European Commission—how can it be elected by the European Parliament?—and at the moment that was strongly resisted by David Cameron. We think that would have been a direction that would have made Europe more relatable to the citizen. It is also about having more participative democracy through things like the European citizens initiative. I know that the Green group in Europe has been strongly pushing this idea of more participation and more democracy, taking the lobbying power away from big corporations through various means. We completely agree with the point that you made about moving between Strasbourg and Brussels, but it is unfortunate that the Prime Minister went out and lobbied instead to have Britain have an exemption through the financial regulation rather than having the dual Parliament as one of the conditions of membership.

**Q514 Mr Evans:** Do you honestly think, Ross, that had he gone to Brussels and said, “You have to stop this circus back and forth,” that he would have achieved that?

**Councillor Brown:** I certainly think he would have had stronger public support and sympathy from many more Europeans on that issue.

**Q515 Mr Evans:** I want to end on this point, if I can, which is that Angela Merkel all of a sudden loves Turkey, and we know why. The chances of Turkey now acceding to membership of the European Union is stronger, and later this year they are going to get visa-free access to the Schengen zone as part of the price with keeping the migrants at bay. Is it your policy? Are you happy that Turkey would join the European Union and that their workers—75 million of them—would be able to access our labour markets?

**Councillor Brown:** They would not be able to access the UK labour markets because obviously we are not within Schengen.

**Mr Evans:** No, when they finally do join the European Union.



**Councillor Brown:** There is a veto on that with regards to the UK Government, so we have a veto on that.

**Q516 Mr Evans:** It is UK policy that they do join the European Union.

**Councillor Brown:** Again, that is something I would think that we can put to our Government through democratic vote. If that is a policy then—

**Q517 Mr Evans:** So we are where we are. That is the policy. Do you not see any downside to Turkey joining the European Union and their workers—as you know many of them are impoverished—looking at the living wage in the United Kingdom? Do you think that many of them are going to take the option of coming to the UK?

**Councillor Brown:** The big question that we need to be asking ourselves in Europe is: do we treat Turkey differently because it is a Muslim country and because they are a different religion? I would not want to see anybody treated differently because they are a Muslim.

**Q518 Mr Evans:** Your answer, if I have it right, is: they join the EU and they should then have access to the labour market.

**Councillor Brown:** They should be treated just like any other country.

**Steve Agnew:** It is worth prefacing that consistently we have put conditions on Turkey's membership, which they failed to meet, and I do not think we should be weakening those conditions, including their human rights record. We are working on the assumption of the question you asked, which is they are allowed to join, but I do not think we are there yet. We should continue to apply the conditions that we have to date that has kept Turkey out. If they meet those conditions then we can have another conversation.

**Q519 Mr Evans:** But you would concede that they are far closer now to joining the EU because of the migrant issue than they were five years ago?

**Steve Agnew:** I have heard it argued—you maybe have more detail on that than I do—but at this point they have not met the threshold.

**Q520 Nigel Mills:** We have heard a few surprising things today because of this evidence, not least Sinn Féin advocating staying in unions because change might be risky. I was probably even more surprised to hear the Green Party saying we should stay in the EU, because big business thinks we should. I could not quite picture you in that rogues gallery of tax-avoiding multinationals saying we must—

**Steve Agnew:** Thank you.

**Nigel Mills:** I would not have quite put the Green Party at the bottom of that list. I have been having great fun with manifestos all afternoon; it is quite entertaining reading what people promised a year ago. You are obviously big campaigners on multinational tax avoidance. Do you not regret that the EU has effectively made tax avoidance around the EU easier by

forcing us to strike down some of our anti-avoidance rules so we cannot stop people moving assets and profit into Luxembourg? Did you think the EU has been a negative in terms of that rather than a positive?

**Steve Agnew:** One of the things is we have more capacity through the institutions to right those wrongs than we do on our own within the UK because we have the international structures. Like any Parliament, I am in politics to campaign for change. I am not happy with the status quo, so on that front I do not think Europe has done enough. I do not know if you have anything further to add.

**Councillor Brown:** One of the initiatives—and again this has been resisted by the UK Government—is a common corporation tax base, and the principle behind that is being able to clamp down on tax avoidance, something the Greens have been pushing for in the European Parliament and campaigning strongly on. Our view is that multinationals will operate across—the name says it all—different nation states. So how do you stop that transfer pricing? How do you stop their shifting of profits unless you are part of a larger international structure to do that? Europe provides the framework and the possibility of doing that. Whether or not we get the outcome is depending on who—

**Q521 Nigel Mills:** We might find the OECD and a proper global agreement would be more effective than an EU one that would be beholden to one or two tax havens having big interests. Those is your issues on tax dodging I have looked at. It is hard to say the EU has meaningful democracy. We want Governments we can throw out if we do not like their decisions. We are a long way off being able to throw out the powers of the European Union if we can work out exactly where it sits now. European Parliament elections come and go and nothing happens, does?

**Steve Agnew:** It might be an imperfect democracy, but the problem is that, without the EU institutions, we effectively end up with no democracy, or at least no direct democracy. Trade is global, the solution to climate change is global, international terrorism is a global problem; these global problems, if we are having negotiated deals and agreements all the time that we have no direct say in, then we have less democracy rather than more.

**Q522 Nigel Mills:** But if the British people did not think climate policy was going far enough—which may be what your views are—we could change our Government and put one in that wanted to go much further. When you say meaningful democracy in which we can all participate and which laws are not made behind our backs, that is pretty much how the European Union does it, isn't it?

**Councillor Brown:** We would be advocating for an elected European Commission, and it is one that would be accountable to the European Parliament.

**Nigel Mills:** But it's not on the ballot paper, is it?

**Councillor Brown:** Not at the moment, but again that would have been another thing it would have been nice if David Cameron went and advocated for, but it appears that the Government policy is contrary to that in some respects, with the whole controversy over

Juncker being selected from the biggest group in the Parliament. From our perspective there is a more democratic and accountable Commission.

**Q523 Nigel Mills:** The third of your four points on the first page of your manifesto—which does have your pictures, Mr Agnew, so I am assuming you have not resiled from all of this—says: “Investment in the many small-scale, local producers who form the widespread grassroots of the economy, rather than in rootless, profit-extracting, tax-dodging multinationals”. Again, EU rules make it rather hard not to have level procurement playing fields that these multinational tax-dodging, rootless profit extractors can effectively keep on extracting their profits. Again, it seems that outside the EU we could have some rules that do favour our own small businesses.

*Steve Agnew:* Do not ask me, ask them, and certainly I had a meeting recently with the Northern Ireland Independent Retail Trade Association and they have taken the decision to campaign to stay in, and their chief executive is on the board of the in campaign. They have made a decision that their interests are better served within Europe than out. You might disagree with them—as I suspect from your body language. Listen to what people are saying; listen to what the groups that represent the small businesses are saying. I am not sure, for example, if the FSB have yet taken a position, but in my conversations—you mentioned me citing big businesses is a reason for staying, and I just gave it as an example, because across the board, often disagreeing groups, when it comes to local issues, are saying on this issue, “My needs and your needs are better served in Europe,” so we listen to them.

**Q524 Nigel Mills:** A final one: you can guess how people are confused. We have had seven witnesses today, or seven panels anyway, of which two were outright to leave the EU, two were pretty much in the EU at any cost but appeared to fill their manifesto with promises they could not do while they are in the EU, and then we have had three more saying, “We would quite like to change it quite a lot, but stay in, even though those changes are to make it more democratic, make it more accountable, have more power to nation states and less regulation.” It’s not looking very clear what people have voted for on the ballot paper at the moment. There are a lot of options people want.

*Steve Agnew:* It is worth being clear: vote to stay in if you think we are better off in Europe now. It’s not a hope to the future. Certainly from opinion polling, and whatever else I have read about, that is where people are. It’s not: “I’m voting yes because I believe Europe will be reformed.” They might wish it to be reformed; ultimately the decision is: “Europe as it is now—would you rather be in or out?” That’s the decision people should make. And, still on that, we’re saying, “Yes, we would like to see a reformed Europe.” As things are now, I would still be voting to stay in, even if somebody said to me, “There’ll be no changes for 50 years.” I think that would be regrettable, but I still think we’d be better—

**Nigel Mills:** Probably better than we will get.

**Chair:** You will get change, don’t worry. Okay, thank you very much. The public session is closed.



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