



Scottish Affairs Committee

Oral evidence: [The EU Referendum and its impact on Scotland](#), HC 81

Wednesday 25 May 2016

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Members present: Pete Wishart (Chair), Kirsty Blackman, Mr Christopher Chope, Margaret Ferrier, Mr Stephen Hepburn, Chris Law, John Stevenson.

Questions 86-195

Witness: **John Edward**, Senior Campaign Spokesperson, Scotland Stronger in Europe, gave evidence.

Q86 Chair: Welcome to the Scottish Affairs Committee, our two short inquiry evidence sessions into Scotland and the European Union referendum. We are very grateful that we have John Edward from the Remain campaign in Scotland. I am not going to ask you to give an opening statement because we do not have much time, but you could possibly include anything that you want to say in the way of an opening statement by telling us why you believe it is in Scotland's interest that the UK remains a member of the European Union.

John Edward: Sure, thank you. Very simply, it is my contention and our contention that both Scotland and the United Kingdom are safer, stronger and better off staying in the European Union simply because we have been part of this system for the last 43 years. The networks, the protections, the rights, the opportunities we have built up over that time, some of which are almost invisible in terms of the virtual element of them, are extremely important. I was speaking to a Food and Drink hustings only last night and every person in the audience stressed the importance of geographical indication, the recruitment of staff, the produce and the markets they dealt with, but also standards and quality markings that they thought were crucial to their business. I find that same message across every aspect of Scottish life, including those who are more marginalised, who realise that there are rights and responsibilities that they get through the European Union.

Q87 Chair: I am grateful. I will try to put this as gently as possible. What we have observed, thus far, from the supporters of the Remain campaign is perhaps what we could say is an overemphasis of the risks of Brexit. I think that those of us from Scotland anyway are perhaps familiar with some of the themes and the tone of some of the claims that are getting made by the Remain campaign from the Scottish referendum, and how it was characterised quite

simply as Project Fear and some of the scaremongering of the campaign. Are we going to do this differently in Scotland?

John Edward: That has certainly been our intention. I made a very small name for myself back in February coining the expression “Project Cheer”; because we were very determined we were not going to be going on the attack, definitely playing the ball and not the man. I don’t see any reason for us to go negative. Yes, there are all sorts of economic arguments that stack up and it would seem, at least from the international bodies and other bodies that we hear from, that everyone is out of step except “our Jock” at the moment in terms of thinking we should stay in.

For me, the positives are all there in terms of co-operation, engagement, meeting joint opportunities, dealing with common threats, so there is no need to go into attack. Of course, it is slightly harder to do so when you don’t have a White Paper on the other side to pick holes in. There is no manifesto. There is no blueprint as to what leave will look like. For us, it is simply a case of stressing what we have at the moment, reminding everybody how much of a role the United Kingdom has in Europe, how much of a role their MEPs and their Ministers have and how much Scotland is part of that, rather than it being some “us against them” argument.

Q88 Chair: What I am taking from this is that there is an attempt from the Remain campaign within Scotland to try to emphasise a much more positive campaign than what we have observed, thus far, from the Remain campaign south of the border. In response to that, could you talk a little bit about what the relationship between the Remain campaign in Scotland is with the national campaign and all the other groups? Obviously, we have heard that the Scottish Government intend to do their own initiative when it comes to this, and obviously the UK Government have been taking a key role in terms of giving information. There are leaflets and brochures going through our door. How does the Remain campaign in Scotland fit in with all these other activities and campaigns?

John Edward: We are part of the designated lead campaign UK-wide, Britain Stronger In, but we recognised late last year, when it was clear that the referendum was coming soon enough, that a campaign run purely from one capital city would not suit the nations and regions of the United Kingdom. This is as much true of Northern Ireland and Wales and the English regions as it is of Scotland. We set up a dedicated office in Scotland and the campaign spokesman. We took somebody from the Better Together and No Thanks campaign to be our grassroots organiser and somebody from the Yes Scotland campaign to be our media organiser, with the idea of reminding people that Scotland is probably more attuned to issues of a referendum than the other parts of the United Kingdom and more politicised in that respect.

There was no need to get too party political and also I don’t think there was any great desire on behalf of the parties to get party political, because there was a sense in which people did not want to be on the same platform as each other. We very deliberately set up an advisory group that had no politicians on it, trade unionists, academics and others from civil society, so that we would be talking over or around the political parties directly to people and talking about the issues that affect them. Obviously, each of the political parties in Scotland, with the exception of UKIP, the leaders or the parties themselves are supportive of Remain and they have all indicated they will be doing their own level of campaigning starting at the Scottish elections a couple of weeks ago, and I know there is a debate in Holyrood tomorrow morning. We are quite happy to dovetail with them, but we

did not expect that we would try to shoehorn political parties to places they did not want to be.

Q89 Chair: Lastly from me in the way of opening questions, we have just had the Scottish general election. That has come some six weeks before we are going to the polls for the referendum. Do you think that Scotland is now sufficiently warmed up for this debate? Do you detect a sense of energy and excitement about the upcoming European referendum vote? Is there more needed to stimulate some interest, looking at both the Remain and the Leave case?

John Edward: Having worked in and around Scotland and Europe, or Europe and Scotland, for 20 years I am not sure that there is ever that much enthusiasm to be seen, but I think we always knew that until the Scottish elections were out the way then we would not see the political parties and the political leaders talking about this subject in isolation. Yes, I can understand that some people thought it was quite a short timetable, but I think six or seven weeks is quite a long time to talk about an issue that in most people's lives isn't a day to day issue; it isn't something that they put in their top 10 list of priorities. I am fairly confident we will have plenty of time to get round about the issues and try to do it in a way that rather brings it home to people. Europe tends to be put as a side issue rather than being a cross-cutting issue through health, education, employment and everything else.

Q90 John Stevenson: We are all political anoraks and we follow the polls and we are always interested in what they have to say. There is a view—and polling suggests—that Scotland is more enthusiastic about Europe than the rest of the United Kingdom is. From your experience, would you concur with that?

John Edward: Yes, to an extent. Certainly, some of the polls we have seen have said something along those lines. We are not taking that for granted, but it has been my experience in the past, and during this campaign, that the narrative about Europe is different in Scotland, put it that way. I was once held up in a previous job for saying that Scotland was not more pro-European, it was just less anti. There is some truth in that, in that some of the issues that have been central to the campaign down here—namely, migration and sovereignty—don't ring true with Scottish audiences because, if nothing else, devolution has reminded people that sovereignty lies in various places. It lies in Edinburgh; it lies in London; it lies in NATO; it lies wherever we choose to share it. Certainly, in the many debates and town hall meetings and voluntary groups I have spoken to in the last few months, there has not been the same kind of antagonism that I detect in the discussion, in the language of wanting the country back or we were misguided or deceived back in 1973. That has not come across at all. Not to say that people are outrageously euro-fanatic any more than I am.

Q91 John Stevenson: You do not think the recent Scottish elections have changed that in any way?

John Edward: I don't sense it, no. Anybody—

Q92 John Stevenson: No, I do not want to dwell on it. That is fine. You yourself have said that Scotland could have a decisive impact in this referendum. Given the population of

Scotland proportionate to the rest of the United Kingdom, would it not really have to be an Austrian-style election for Scotland to have a decisive say in the result?

John Edward: Indeed, but it might well be an Austrian-style election. As I say, if you follow the polls too carefully you would be a very nervous person on either side of this campaign at the moment. We recognise that, as a slightly more politicised part of the United Kingdom, turnout would probably be slightly higher in Scotland than elsewhere and certainly in some parts of England. If that were the case and if it was true that we could hopefully get somewhere in the region of a two-thirds to one-third vote “Yes”, then that could be a substantial amount of votes on one side when you think of all the different regional varieties that we have, both between Wales, Northern Ireland, London and the other parts of England.

Q93 John Stevenson: If Scotland were to go for a two-thirds to one-third in but yet the result came from England that actually resulted in an out vote, how do you think Scotland would take to that?

John Edward: I think that would be for Scotland to decide on 24 June. Our view is we only have one vote ahead of us, and it is this one, and all other questions about Scotland’s political future are entirely hypothetical until this vote is out of the way.

Q94 Chair: On that, just before we leave—I have a question from Margaret Ferrier—obviously, this is a concern that has been raised by the Scottish Government that there is a prospect—at least a possibility, shall we phrase it like this—that Scotland might be dragged out of Europe against its national collective will if the result is that Scotland votes to remain and the UK votes to leave. Does the Remain campaign in Scotland have any view about that? Is this a feature that you will be using in the campaigning? What is your response to these types of claims that are made by Scottish Government Ministers and those in the Scottish National Party?

John Edward: Our only response to that is it just reminds Scottish people that every single vote in this referendum matters. If they thought that because it was a simple binary vote there will be huge numbers stacked on either side, they need to remember that it could have quite a decisive influence on the vote. Of course, the idea of somebody being dragged in a direction they do not want to go works both ways. It may be that there are large parts of England, should London, Scotland, Wales and Northern Ireland vote “Yes”, who would feel they are being dragged remaining in the European Union if they did not feel they wanted to be there. It works both ways. For us, it is simply a case of if you think it matters to you—and we think it should—make sure you vote.

Q95 Chair: You will also be aware, of course, that during the EU referendum Bill, as it was then, as it went through Parliament there was an amendment suggested that it would require each of what was referred to as the family of nations, the four UK nations, to all vote in favour of leaving the European Union before we collectively as the UK decided to leave. Is that something that you would find as an attractive prospect or do you have any views at all on that as an issue?

John Edward: No, that really has not come up at all. I think that is mainly because we are talking about, as I say, a one-off binary vote, a “Yes” or a “No” or a “Remain” or a “Leave”. If you start to put qualifications in about nations and regions, could you say, “If

all of England voted leave but London voted remain, if all the home nations voted remain and England voted leave”? There are all sorts of permutations and there is no cut-off percentage like there was for the 1979 referendum. It is not an issue that has come up in people’s minds. It is more about the basic principle of whether you think it is a good thing or not.

Chair: Margaret Ferrier. Sorry, there is a supplementary from Chris Law.

Q96 Chris Law: It is just a very quick supplementary question. The initial question was: is there a fervour or excitement about this? Clearly there does not seem to be. What are your hopes and aspirations for the turnout for the vote? What do you hope in terms of the number of people?

John Edward: Obviously, well north of 50% but we are realistic about it. I think it helps that it is in high summer. It helps that it is before the school holidays come. We would like to see it up in the 60s, but I think that does partly depend on the enthusiasm and the energy of the more politicised people in Scotland as well. I don’t know to what extent we can rely on party activists who have just spent a very gruelling couple of months running a Scottish election campaign, who will then come out from under the duvets and start again. That is why we have been building up a group of volunteers separate from that to be ready for this process.

It ought to be high. As I say, if you can get talking about issues in a non-party political way—as I was to the Learning Disability Alliance in Easter Road yesterday, or the Food and Drink group or the Borders Chamber as I am tomorrow—once you start talking about regional issues and selective issues that affect people in their day to day life, rather than the huge constitutional issues of Brexit or Turkey or whatever, then people immediately get engaged. I would like to think we can keep that going for a month.

Q97 Margaret Ferrier: Mr Edward, my question is about financial contributions. The UK is a significant net contributor to the EU. How do you respond to the argument that if the UK leaves the EU, then the Government would have more money to spend and would be able to make its own decisions about how it was spent?

John Edward: That has a few assumptions behind it, one of which is that the UK Government would prioritise the same spending as the EU does collectively in areas like agriculture and fisheries, which may not be the case. Indeed, that was speculated on last night at the Food and Drink event. There is also an element that a lot of the research funding in other areas is matched funding—so it levers twice as much money out—so you would not get that same double effect. There is also a sense that this is something that Scotland benefited from in the past in terms of structural funds and social funds, that the collective European budget identified the areas that needed development, the former coal and steel areas, the Highlands and Islands, south Wales, Liverpool and so on. There was an element of redistribution in that, and I make no apologies for that. Anybody who thinks that they spend all their Council Tax or all their income tax and get nothing back for it would think the same about the EU contribution, but I think it was the CBI that put a figure of something like £10 back for every £1 you put in, in terms of research, innovation and joint working. I don’t think it is a purely empirical game at all and, of course, at least per capita we are nowhere close to being the highest contributors.

Q98 Margaret Ferrier: Interestingly, the UK receives a rebate, but that is funded by other EU members as well. On behalf of Scotland, we make a smaller contribution than does England or the UK as a whole, but we make a higher contribution than Northern Ireland and Wales.

John Edward: Yes. It is split up—

Margaret Ferrier: So Scotland does quite well out of the EU as well with the—

John Edward: It always has. When I first arrived in Brussels in 1994, the Highlands and Islands European Partnership, Strathclyde European Partnership and others had been very, very effective out there in terms of maximising European funding, and it has remained the case since then.

Q99 Margaret Ferrier: Scotland Stronger in Europe has produced campaign material, which states that for every £1 the UK puts into Europe it gets £10 back. What is that claim based on?

John Edward: I think that was a figure that came from the CBI. We have always made a point of putting no figures on any of our documentation that were not sourced to somebody else separate from the campaign. That was based partly on research and innovation, partly on the impact that structural funds and social funds have in terms of regeneration, and other aspects of the food market through CAP and CFP. It was simply just an economic calculation based on what the trade of the single market does for the United Kingdom.

Q100 Margaret Ferrier: I have one more question. You have told us the main reasons you think Scotland would be better off if the UK remains within the EU, so what do you think would be the key risks if the UK as a whole votes to leave?

John Edward: It is the immense uncertainty. Back in September 2014, we had a very clear White Paper of an alternative future for Scotland in the referendum, and people had a clear choice in their hands of the status quo or the White Paper. We have no equivalent at this moment, and I know perhaps the gentlemen who will follow me this afternoon will say, “We are not going to give any secrets away to the opposition”, but people deserve to know what it is we aim to do. If the WTO is saying they are still negotiating on the EU15 and they have not even got round to the countries that joined 10 or 15 years ago, then there is clearly going to be a delay in areas like that.

We have no idea in terms of the rebate and other aspects of this. We have no idea in terms of the currency weighting, and we are being asked to assume that it will all be fine, when the point that we are trying to make is we have all the advantages already. We have the advantages that Norway has but we also have a say. We have the advantages that Switzerland has but we also have our services included in that free trade area. It is reminding people that the Common Market is a lot more than just a free trade area. The services, goods, the capital movement is something much more sophisticated. It is difficult—and I appreciate this—because you are talking about a political system that has never existed before and does not exist anywhere else. When people try to paint it as a super state, they are assuming it is like the United States of America or they are assuming it is like the United Kingdom. It is nothing like that. It is not a sovereign country. It has no aspirations to be so, but it is a unique type of body. It is reminding people that, “Because it is unique, you will really notice when it isn’t there anymore”. The level of co-operation

that exists between disability groups, educational groups, small retailers, and the idea that, because only one in 10 trade outside of the UK, somehow their supply chains and their staffing chains are not affected by EU membership as well just does not bear closer consideration.

Q101 Margaret Ferrier: One of the things that you mentioned there was we have our say as being part of the EU. However, one of the arguments of our party and the Scottish Government is that, unfortunately, we do not get as big a say as we would like because we have the UK Government speaking on our behalf at a lot of the meetings. In fact, it happened recently where the UK Minister could not attend and instead of them asking Richard Lochhead, who was our Secretary for Rural Affairs at the time, it ended up being someone from the House of Lords, an unelected peer, who was speaking on behalf of the UK Government and the Scottish Government. Would it not make sense that you use somebody with the expertise like Richard Lochhead to head up the meeting that day and make decisions on behalf of the whole of the UK?

John Edward: That is obviously a matter for the UK Government and this was discussed at the time of devolution when teams came over to Brussels before the White Paper was published. What I would say is that all aspects of Scottish society and the economy have always been extremely influential in Brussels, in terms of getting their message across to the Commission, to the elected Members and to the other member states as well. Yes, when you get to the final decision-making point in the Council of Ministers, that might be true but, of course, a lot of power has shifted to the European Parliament since then and there you have an equal vote.

In terms of the drafting of legislation, the consultation and the agreement between member states, a lot of that is done informally and Scotland has always been very good at that. Informally, the network is there. The nature of the formal relationship is a matter for the United Kingdom.

Q102 Chair: In a previous session, we spoke to some of the sectoral interests who have a real stake in the outcome of the EU referendum: fisheries, agriculture, trade unions, business organisations and education. Are you planning to work with these sectors to inform them about the benefits of the Remain campaign? Is anything planned? I think we heard something about a debate at Ingliston involving agricultural interests and they were finding it very difficult to source a Brexit campaigner. I think Christopher Chope was going to assist them with that, but I don't know how far we got. I am going to bring Christopher in, in a minute, but are there any plans to have these conversations with the sectoral interests?

John Edward: We already have. Since we put our campaign team together at the end of last year, before the renegotiation and the starting gun was fired on the referendum, we were already speaking to third sector bodies, to business representation bodies and others. We have continued that since then. I have spoken to the SCDI. I have spoken to all sorts of other bodies. As I say, I am down in the Borders tomorrow. I am in Aberdeen at the oil and gas in a couple of weeks, Stranraer, Ayr, all over the place. We are trying to stimulate and encourage as many discussions as possible across the sectors. In some cases, it is a direct hustings or a debate and in some cases it is simply a conversation with their membership because they have chosen, for one reason or another, not to show a hand in the referendum. As I say, almost all of our discussions are with the general public or representative groups. They are not a political discussion at all.

Q103 Mr Christopher Chope: Can I ask you what the risks are to Scotland if we remain in the European Union?

John Edward: I cannot think of any off the top of my head because I have seen how Scotland, as part of the United Kingdom, has operated within the European Union for the last 20 years. I have seen Scottish jurists at the top of the Court of Justice. I have seen Scottish officials at the top of the Commission. I have seen Scottish Members at the top of the Parliament. I always think we have played a pretty good game and I don't see that continued membership would present any further threats to us than might have been perceived up until now. Those who believed that ever closer union and the treaties referred to a single state rather than closer work between the peoples of Europe can be disabused of that fact now, I think. Those who thought that the euro was a threat can be disabused of that threat, for the time being at least until the Government here changes its mind. I don't see any obvious threats to us.

Mr Christopher Chope: Gosh.

John Edward: Sorry to be so optimistic.

Q104 Mr Christopher Chope: Your spectacles are even more rose tinted than I thought was possible. Can I suggest some possible threats then? One is that the European Union takes on more members and those members will be primarily poorer countries than Scotland and, as a result, the contributions that Scotland gets from the European Union, although they are net contributors to the European Union, they will get less back because the regional funds will need to go to support Albania, Turkey and so on. Isn't that a risk?

John Edward: I don't think Turkey is a risk for a very long time, but in the case of Albania, Albania is not exactly an enormous country and we have been putting a lot of infrastructure work into Albania already. But that was true in 1981 when Greece joined. That was true in 1986 when Spain and Portugal joined.

Q105 Mr Christopher Chope: You don't see any risk that the amount of money that Scotland currently gets from the European Union would be diminished as a result of further expansion of the European Union? You do not see that as a risk?

John Edward: It has collectively reduced over time as other countries have come in that are poorer than most parts of Scotland, and the Highlands and Islands would say—as they did at the time—“We accept the fact that we are now no longer the poorest part of Europe and if you are going to redistribute the money to where it is best used, redistribute it there”.

Q106 Mr Christopher Chope: You would accept that that is a risk but you discount it because you say it is a desirable risk. Can I put another proposition to you? You say you have been talking to the Food and Drink community in Scotland. The Scottish Government, backed by the Scottish people, wanted to bring in minimum pricing for alcohol. That was the democratic decision of the Scottish Government and that was dismissed by the European Court of Justice. How does that fit in with Scottish aspirations for control over their own destiny, having a democratic decision overturned by the Court of Justice, which is supreme in Europe over even the Scottish people?

John Edward: It is supreme in those aspects of European law that the proposed minimum pricing covered. By choosing to do it in the way they did, it was referred not by faceless, unelected judges but by the Scotch Whisky Association in Edinburgh to the Court, as is their right, and the Court decided that the means with which the Scottish Government had first determined to do it were perhaps not the best according to the treaty that the United Kingdom had signed and, therefore, passed it back to the Court of Session to decide sitting in Edinburgh. That is where it currently resides. So, the opinion of the Scottish people has not been overturned at all.

Mr Christopher Chope: Not yet. Well, it has been—

John Edward: No, it has been returned to the Court of Session, which is the highest court in Scotland.

Q107 Mr Christopher Chope: But doesn't this show that the European Court of Justice is, indeed, supreme and that any decision that the European Court of Justice takes in the future that is against the interests of Scotland is one over which the Scots will not be able to have any control?

John Edward: Only in areas where we the member states, we the United Kingdom, have chosen to give the EU and the ECJ competence. That is limited. The whole purpose of the legal treaties is that it limits the competences to the ones that we decide to give them. We have a veto in giving those rights, so, if we choose not to give them any further responsibilities, they have no further powers.

Q108 Mr Christopher Chope: But it is for the European Court of Justice to interpret what those competencies are. You would accept that? That is what the judges have said. That is why, for example, the European Court of Justice has ruled, given an opinion, to the effect that it would be against European Union jurisprudence for the European Union to accede to the European Convention on Human Rights, despite that being a treaty obligation under the Lisbon Treaty. The European Court of Justice has said that they interpret European Union law and that it would be wrong for the European Union to accede to that. I give that as an example.

John Edward: To take that example, that was done on the basis that they did not accept that the EU was as yet a single legal body, which is not something that people who want to leave the European Union I thought were particularly keen about.

Q109 Mr Christopher Chope: The reason for what they said was that they did not wish the European Court of Justice to be subordinate to the European Court of Human Rights. Is that not the whole issue here? If you are a proud nation, as Scotland is a proud nation, why does it not want to go on its own? If we, the United Kingdom, leave the European Union, then the Scots and the Scottish Government, their elected representatives, would be able to have control over Scottish fishing completely, which they have lost. They would be able to have control over Scottish agriculture. They would be able, for example, to charge fees in the Scottish universities and institutions of higher education. They would be able to charge students from the EU fees and, thereby, be able to increase the opportunities for Scots to be able to access higher education, which they are being squeezed out of at the moment because of lack of resources. There are all sorts of benefits that would come directly to the Scottish people if the Scots and the rest of the United Kingdom vote on 23 June to leave.

John Edward: I simply do not agree. I worked with the Steel Commission and the Campbell Commission among some of the other bodies that looked at extending the powers of the Scottish Parliament, and I would rather have a cross-party constitutional attempt to extend the powers of the Scottish Parliament than doing it by the stroke of a pen.

But on the issue of the jurisdiction of the Court, the Court literally can only cover those areas that we, the people of Europe, decide to give it, and that is what it has done. It has not sought to interpret things beyond it. If the treaty is badly written, that is not the fault of the Court of Justice. That is the fault of the Prime Minister and the other people who signed the treaty in the first place.

Mr Christopher Chope: The Prime Minister is not going to be able to get any treaty change. Can I ask—

John Edward: Just to finish your question about the—

Chair: Can I just bring a little bit of order? Will you let Mr Edward finish on this point before you go to the next question, Chris?

John Edward: Just to return to the point about a proud nation. I used to visit Luxembourg a lot. Luxembourg is about the size of Perthshire. It has its own language. In its own language on a wall in the middle of Luxembourg is the national motto, and the national motto is, “We want to remain what we are”. Luxembourg is a proud nation, as is Albania, as is Portugal, as is Latvia. The idea that they are giving up sovereignty or national identity or anything else, any more than Scotland, England, Wales or the United Kingdom just does not bear any relation to the understanding I have of Europe.

Q110 Mr Christopher Chope: That does not fit in with the evidence we have received from, for example, the Scottish fishermen. The Scottish fishermen resent the fact—and I can understand why—that control over Scottish fishing grounds rests with the European Union rather than with the Scottish people. If we leave the European Union, absolute control over Scottish fishing grounds will rest not with the UK Parliament but with the Scottish Parliament, as indeed will control over Scottish agriculture, two very important parts of the Scottish economy. Would you not accept that that is one of the bonuses that will come when we leave?

John Edward: I have yet to hear a voice from Scottish agriculture who wants that to happen. We can only listen to the people who are the experts in their field. In terms of fisheries, absolutely, I accept that a lot of people have a different view, though it is not the same view as that of the shellfish fishers on the west coast of Scotland. Those in the North Sea absolutely but, of course, they do have to bear in mind who their market is. Their market is not the people of Scotland, sadly. We are not the ones eating the fish. If we want to be trading this fish at the best possible terms, then we want to be part of a market that is buying it, and it is the nearest, freshest market we have. We have the arrangement with them already. Why we would come out and then seek to renegotiate the same arrangement that we have at the moment I simply do not understand.

Chair: I think we have had a good shot at that, Christopher, if you do not mind. I would like also just to make sure—

Mr Christopher Chope: He has not answered the point about students.

John Edward: I will happily answer the point about students.

Chair: Answer the point about students then and we are going to have to move on because we only have 10 more minutes with Mr Edward.

John Edward: I have yet to meet a student or a student body or a university that thinks that they would like to extend European students to be cash cows in the way that they see that other students are. They don't see that to be a desirable thing at all. Of course, if you go and speak to any school in Scotland, increasingly as students are filling out their UCAS form, they are encouraging students from Scotland to apply to universities elsewhere in mainland Europe as well as elsewhere in the United Kingdom where, of course, they will receive the same benefits overseas as EU students as EU students receive in Scotland. It is a two-way thing.

Chair: Thank you for that. Just to be fair, too, in light of the questions that Mr Chope has been asking, we did ask those sectors to come to this Committee a couple of weeks ago. What they said to us, and I think what Mr Edward has reemphasised, is that there was a strong view within the NFU that they wanted to remain within the European Union, accepting all the issues to do with CAP. Again, Universities Scotland more or less gave us that same type of evidence. I think it is fair to say that it was a mixed response when it came to some of the fisheries. That might be the best way to characterise that, just for the record to ensure that we have spoken to these sectoral interests who gave us quite detailed oral evidence at our last session. I have a couple of questions from Kirsty Blackman.

Q111 Kirsty Blackman: I want to ask about the positive case for remaining in the EU. You have spoken about workers' rights and things in more general ways, but for the man in the street or for the family in the street, what are the tangible benefits of the EU to families in Scotland?

John Edward: You can take it from the moment you get up in the morning to the moment you go to bed. It is the air you breathe walking to school. It is the water you drink. It is the amount of time that your mother or father has to take off work to look after you when you are born. It is the amount of hours you have to work in a week over 17 weeks. It is the food quality. It is the nutritional value of the food that you are eating, the labelling. It is the ability to have networks and partnerships with other schools, other universities across Europe. It is the ability to travel cheaply in a deregulated air system. It is the networks in terms of rail and other transport across Europe.

Literally, this is one of the points we have to try to get across. Europe is not a standalone constitutional issue like the UK or devolution. It is a matter of domestic policy in all sorts of areas, at least those in which we have granted competence. People need to realise that it does affect their daily lives in a way that is positive, and at least if they don't think it is positive they have legal redress on that front. Again, one of the unique elements about the European Union is that it is based entirely on the rule of law, so every one of the 500 million citizens from Stornoway right through to Salonika have the same equal access to the law.

Q112 Chris Law: I want to ask you a little bit about the reforms that were negotiated in the EU from the Prime Minister and how they have been mixed at best, at least in the public eye. What are your views of the agreed reforms and how do you think they affect Scotland?

John Edward: We have taken a pretty sanguine view of the reforms simply on the grounds that for us as a non-party campaign they were, as I said, the starting pistol. We knew this

referendum was coming. Indeed, since James Goldsmith was advocating for it 25 years ago, we have known there would be a referendum of some form or another.

That was the decision that one political party took to initiate that referendum. There have not been many questions on the doorsteps about it since then in terms of the deal. It is not for me to comment on those who think it is too much or too little. It has in some ways been useful to counter some of the perceptions that people have that we will still somehow be lured into things that we do not want to be part of, like bailouts in the Eurozone or a single European state. I was being challenged only last week on a single European navy and army. At least you can point to that text now and say, “I don’t think ever-closer union ever meant a single country”. If there were people like the ones I used to work for in Brussels 20 years ago, for whom that was an aspiration after the war, they readily accepted after the Berlin Wall came down that it was never going to happen in that way because they never expected Europe to be so broad. The idea of a deep, single European state was never going to happen.

In one way, the text is quite useful because it shows there are limits, but if you are a euro federalist then you will find it disappointing because it makes Britain, to a certain extent, a bit to the side. But then it is not the only one. Sweden, Denmark and others have opt-outs. It is what it is. We are not campaigning on the basis of the deal. We are campaigning on the basis of the bigger issue of staying in.

Q113 Chris Law: Do you think the deals that were made are going to be largely forgotten by the time of 23 June or are they going to form part of the decision-making for the people of Scotland?

John Edward: They will to a certain extent. When the issue of the currency comes up, it is obviously important whether the single currency is a prospect or not, whether bailouts, should they be needed in other countries, are a prospect or not. There are people who worry about the sovereignty and the super state issue. I would be pretending if I said it was a strong issue in people’s minds in any of the debates I have been to, I think because they see it as a purely party political issue.

Q114 Chris Law: Just an additional question. I know we have talked about immigration and sovereignty being key issues in the south of England. What do you think the key issues are in Scotland?

John Edward: I think it is almost connectivity. It is the acknowledgement that—with apologies to Iceland who have withdrawn their application—we are at the north-west frontier of the European Union. Therefore, as has always been the case in our history, to be a trading nation, whether it is in visible trade in manufacturing terms or a trading nation in terms of services or capital, you need to have as many opportunities, and that is not now in the case of boats in Leith, that is a case of free market arrangements across Europe. That is true. You go to university, people are talking about Erasmus but they are also talking about their potential work opportunities abroad. They see the other 27 member states as their backyard. They don’t see it as, “I am going abroad to work”. It is just, “I am going somewhere else” in the same way they would think about it if studying.

I think there is that sense, again partly because of devolution, that we recognise that there are different stages and different places for where our—if “sovereignty” is the word—sovereignty rests or where our responsibility rests, and we change our identities quite

comfortably in that. I think it is that sense that we are part of this system, something that we are quite proud of. Some famous Scots have been quite heavily responsible for it from the beginning and, therefore, we see the value of it and we do not feel the threat. Yes, it may be true that migration is less of an issue in Scotland than other parts of the United Kingdom but, as I say, some of the more terrifying arguments that have been used in the campaign so far just have not resounded at all.

Q115 Chair: I can sense your frustration when you say that it is pretty hard to put a case when you are not aware of the opposite case, and there has not really been one. We know that the UK Government have attempted to define the options that might be available to the UK if we do leave the EU, and I think they are roughly characterised as three versions: the Norwegian model, the membership of the European Economic Area; then there is a bilateral arrangement, which is referred to as the Canadian model, where we negotiate our own deal with the EU; then there is the WTO option. I wonder if you recognise these as the options that might be available to the UK. What impact would either of these models have on Scotland if we were to leave and were to decide which one was going to be progressed?

John Edward: Inevitably, any of them has a downside, whether the downside is delay or the downside is a loss of voice. The Norwegian model manifestly requires acceptance. If you want to remain part of free movement and part of the single market, you have to accept the regulations thereon because you have to import and export goods of the same standard. You would accept that, but you would be taking yourself out of the Council and the Parliament where the decisions are made. That is one option. You can take that but, if sovereignty is your primary issue, it seems to be an odd way to go that you would relinquish some sovereignty and keep the same regulations.

On the WTO side, I know that people within the WTO have said they are still struggling to implement the arrangements for the EU15, which changed 20 years ago. They are not even at the point of having full negotiations completed for the EU28, so the idea that we could quickly turn around, after Article 50 was started, an arrangement with the WTO is interesting. Even then within the WTO there are all sorts of restrictions on use of state aids and others as well, which are issues that have come up in this referendum.

That leaves other models like the Swiss model or the Canadian model, which is fine if you can negotiate a deal as good as the one you are giving up. If you take the Swiss, for example, yes, the Swiss have negotiated a free trade agreement with China. Switzerland overnight dropped 80% of its tariffs when that deal came into force. China did not drop any because it was China versus Switzerland, and that is the nature of world politics and world economics. I don't see any of the three options that make life look better for us than the options we have at the moment.

Q116 Chair: I know we are running out of time. I think what we are having difficulty in attempting to identify are what are the particular Scottish issues when it comes to the Remain case for being within the European Union. The big debates that we hear at Westminster all the time are around the three key themes of sovereignty, trade and immigration, and immigration seems to be the case that most of the Brexit campaign seems to be coalescing around just now, because the arguments about trade seem to be diminishing, and sovereignty obviously is a very emotional case. What do you make of these three big themes that seem to be the key debate? Is there anything particularly Scottish that you think the Remain case could inject to try to maybe inject some more enthusiasm and energy into the campaign in Scotland?

John Edward: Out of those three, as I say, the one that our focus has been on is trade and the economy. That is not to say you will be so much worse off after leave but to say we can keep doing what we have always done. We are a small, quite peripheral part of Europe, but we have always traded successfully. We have always contributed intellectually to the development of Europe and there is no reason why we could not continue to do that.

That is where we are trying to hit the strand of positivity, which is to say, “We have nothing to fear from this. This is a system that we are part of and our geographical distance, or our relatively small size, does not necessarily have any impact on our ability to influence matters”. To walk away from the table seems to be an admission of defeat, which is unusual both for Scotland and the United Kingdom. Normally we pride ourselves. We have the Anglosphere, the Commonwealth and Europe as our neighbourhoods. Why not use all three successfully?

Q117 Chair: Thank you. We are right at 3.00 pm, which is the time this session has to end. If there are any last things that you think we have missed and we have maybe not heard from the Remain case?

John Edward: No, I don’t think so. We have always taken the view that, as I say, this goes beyond party politics. One of the things we have tried to avoid doing is the sort of “he said/she said”. The one thing I am finding increasingly curious about the whole thing is that, as I said, they are all out of step except “our Jock”, and we are starting to get a sense where everybody agrees with us, but they all must be wrong. I think there is a point at which when people are making their decision they have to ask themselves who it is they trust.

Q118 Mr Christopher Chope: On that point, you have referred to Norway and you have referred to Switzerland—you did not refer to Iceland—but none of those three countries want to join the European Union, despite the disadvantages that you say that they are under because they are not members of the European Union. That is why a lot of people say, and I think even our Trade and Industry Minister, the BIS Minister, has said that if we were starting from scratch, he would not wish to join the European Union. Isn’t that the true fact that, if we were not in the European Union, nobody would want to join this sclerotic, old-fashioned body?

John Edward: It is not sclerotic and old-fashioned. People always talk about Europe’s share of trade falling. Its volume of trade is going up all the time. The only reason its share is falling—as is Japan’s and the United States—is because China’s is going up. But of course, yes, Norway has had two referendums and it has chosen not to join. Switzerland only recently started to join some of the UN bodies, so Switzerland has always had a slightly different view of the world. My contention is that this is not something that Britain is a Johnny-come-lately to and that somehow these dastardly 27 countries all have a plan against us. We are part of it. In fact, under Leon Brittan and Peter Mandelson, the trade aspect of the European Union moved directly in our direction, much to the chagrin of some other member states. I don’t see why now we have a situation of a Europe that serves our purposes we would simply walk away from it.

Chair: Great, thank you very much, Mr Edward. We are very grateful for your time and you answering all those questions. I am sure we will be seeing you much in the course of the next few weeks.

John Edward: I am afraid so, yes.

Examination of Witness

Witness: **Tom Harris**, Campaign Director, Vote Leave, gave evidence.

Q119 Chair: Mr Harris, welcome to the Committee. It is very good to see you once again. I think you know quite a few people around the table here. We would normally ask you for an opening statement and you could probably include what you would possibly like to see anyway by maybe telling us, in as long as you want, why Scotland should vote to leave the European Union.

Tom Harris: I think for many of the same reasons that the UK should leave, but there are specific Scottish reasons, some of which may appeal to individual members of the Committee and others that might not. For example, the Scottish Parliament would inherit some fairly important new powers. There would be no need for another Smith Commission, no need for a Cameron Commission, no need for primary legislation in this place. Automatically by default, new powers, particularly on fishing and agriculture, would be automatically devolved to the Scottish Parliament on the day that we left the EU. My own view is that Scottish fishing would be far better run by Scottish Ministers than by Brussels, and I think that will resonate with a lot of Scottish voters.

The second thing is it would give us the power to protect long-term free tuition for university students in Scotland. At the moment, an EU student has exactly the same right to free tuition as any Scottish student. Unusually, any other overseas students from outside the EU must pay full tuition fees. If we were able legally to charge EU students, we would not only save the £80 million that we are spending at the moment on free tuition, but they would also pay whatever the overseas student level would be, so it is kind of a double-whammy. That money could be used for anything that Scottish Ministers wanted to use it for, but I would expect they would want to use it to protect in the long term free tuition for Scottish students and also to create bursaries for poorer students, if they chose, but once again that would be a matter for Scottish students.

Thirdly, there is a demographic deficit. Five years ago, the SNP were elected on an overwhelming majority in the Scottish Parliament, which no one expected, and in their manifesto they had a mandate to introduce minimum pricing for alcohol. That was supported not just by the SNP but by other parties and yet the European Court of Justice struck it down and we do not have it because of our membership with the EU. Now, just today there is another report saying that alcohol sales, particularly through supermarkets, means that we are selling per head 20% more alcohol in Scotland than in England. Whether or not you think that was the right solution is not relevant. What is relevant is that a mandated political party that won a democratic election has the right to introduce its policies, and in this particular occasion it was not allowed to because of interference by the European Court of Justice.

Lastly, Chair, it is simply the bonus. However much we want to argue about what the payment is that Scotland or Scottish taxpayers contribute as part of the EU's membership dues, when we are out of the EU, that money simply does not have to be spent. That money will come to the Scottish Parliament, partly because there is more money available because of the difference between what we pay and what we get back, but also because with those extra powers will come the ability or the necessity to have money to spend, for

example, on agriculture payments. That is something that Scottish Ministers again would be in charge of. On agriculture, recently the SNP Government have fallen victim to how complicated agricultural payments are in Scotland. If we were outside the EU, they could construct their own way, a much simpler method of paying agriculture subsidies, if they chose but, as I say, that is entirely a matter for Scottish Ministers and I think it should be.

Q120 Chair: I am grateful. Just sticking on the financial issue, the Leave case claims that it is something like £350 million per week that is contributed to the EU, which makes Scotland's share of this some £1.5 billion. This has always failed to take into account the UK's rebate. There is a model that I just saw on the BBC before we left to come to this Committee, which once that was taken into account, once the Treasury was taken into account and the support for the private sector, this figure significantly diminishes. Just how realistic is this as a figure and do you accept that there is money that comes back to the UK, which therefore comes back to Scotland, and all the rebate support to the private sector and support to the Treasury?

Tom Harris: I absolutely accept that some of the money that we give to the EU is spent in Britain. None of that is EU money, of course. It is all Scottish and UK taxpayers' money, which is spent without our control, without our say-so back in Scotland. For instance, this year I have a tax bill that I will pay. Next year I will get a rebate on that. That does not affect what I pay on my tax this year. The EU rebate is similar, because it is not a rebate on this year's payment. It is a rebate that is paid retrospectively a year later. What we are paying out is being paid out. The £350 million a week comes from the Office for National Statistics' Pink Book. It is not made up. It is quite legitimate to use the gross amount and, if we want to have a debate about what the difference is between what we pay out and what we get back, then that is absolutely fine, but people should be aware that the level of money we are paying for the privilege of being in the EU is hundreds of millions of pounds a week.

Q121 Chair: If this money is returned to the UK, as is claimed, and it will go to the Treasury, how confident are you that Scotland would therefore, once that money goes to the Treasury, secure a fair share in terms of that spending that was going to come back? We are dealing just now with a Conservative Government who perhaps might not look so benevolently on spending in Scotland. Surely this is a massive risk to Scottish people, just to trust the man from the Treasury to ensure that Scotland will get its fair share of the return?

Tom Harris: I am certainly not asking anyone to trust a Conservative Party Treasury. Scottish Leave is a non-party organisation, but we do have the Barnett formula. Conservative Ministers have made it quite clear that payments, for example, to agriculture—which is one of the biggest budget areas—would inevitably continue for political reasons as well as agricultural. We understand why. If that means a public spending increase in England, there will be a related public spending increase for Holyrood through the Barnett formula. It is in nobody's interests. I totally understand the political dynamic, but it is in no one's interest, either at Westminster or at Holyrood, to start a kind of spending war. The fact is there will be extra money available. It is a question of how the extra money will be divvied up.

Q122 Chair: Just this, then we will open the questions. I think the case and the debate about the European Union referendum could be characterised around trade, about sovereignty and

immigration, but increasingly about immigration. Do you recognise in the Leave campaign that Scotland's immigration requirements are significantly different from the rest of the United Kingdom? The issues that we have when it comes to immigration are possibly emigration and sluggish population growth compared to the rest of the UK.

Tom Harris: Yes, I absolutely recognise that different reality. But it is interesting, I was listening to a Scottish MP on “Any Questions?” two or three weeks ago and, in defence of our EU membership—I paraphrase—he said, “We have skills gaps in the Scottish economy and therefore we need to attract people with certain skills from the EU”, and he is absolutely right. What a pity that would be illegal under EU law. We cannot decide which professions, which qualifications we can attract from the EU. We must accept anyone who is an EU citizen, irrespective of their qualifications, irrespective of the skills that they bring. Not only that, it is a bit of a double-whammy, because there is unlimited immigration from the EU that we cannot control or manage, therefore the UK Government has to limit immigration from non-EU countries. If you are a businessman in India who wants to get a visa to come to Britain, it is much more difficult because of the arrangement we have with the EU. Non-EU citizens are being stung particularly badly on this. If you will forgive me, Chair, I think the whole debate about—

Q123 Chair: Just on that point, what you want to try to create, therefore, is that EU citizens should be treated very much the same as citizens from anywhere else in the world, is that the idea?

Tom Harris: Yes.

Q124 Chair: The type of model that you have in mind—the one that would be applied to Scotland—is that we would have this free movement of populations across the European Union area and that anybody who wishes to come to Scotland to live, work and study in Scotland would have to go through the same sort of tests and checks as people from outwith the EU currently experience just now. Is that roughly it?

Tom Harris: Essentially, yes. Immigration is popular because, first of all, it is recognised as being economically beneficial, but, secondly, because ever since the end of the Second World War, immigration has been limited and it has been managed, and the voters have been reassured by consecutive Governments that that is the case. In fact, every single mainstream political party agrees, in principle, that immigration must be managed and limited. Within the EU, we cannot manage or limit immigration, so what I am saying is that what has held sway ever since the end of the Second World War was the right policy, but that policy is being undermined by our membership of the EU and that, if you are a dentist or a doctor from Beijing, you have to wait in line behind a non-skilled worker from Poland. That is not helping our skills gap in Scotland.

Q125 Chair: We just saw an example today with Prime Minister's Questions about a family in the Highlands of Scotland who are outwith the European Union. What we are observing is the UK Government not acting particularly benevolently towards them in forcing a deportation next week. It is staggering to think and suggest that we would like to treat the rest of the people from Europe in that same sort of manner and means and way. How does that assist some of the issues that we have to deal with in Scotland? We are looking at a demographic gap that is greater than the rest of the United Kingdom, one that we need to

quickly close, but what you are suggesting to us is that we should have further controls on immigration. Surely that cannot possibly help the growth and development of the Scottish economy?

Tom Harris: With respect, Chair, I think you are looking at this through the wrong end of the telescope. The reason that the UK Government feels it has to be this strict with non-EU citizens is because, if you have an unlimited and unpredicted number of EU citizens coming in, irrespective of their abilities or skills or qualifications, then something else, pressure has to be put elsewhere. We cannot put it on EU numbers coming in, so we have to put it on non-EU numbers coming in. If you could have the same rules applied to everybody, you could afford to be realistically more flexible with people of all nationalities.

Q126 Chair: Can I just say that I have never detected in any of the speeches that have been made by Nigel Farage, one of your partners when it comes to this exercise, that what he is looking to do is to try to increase and equalise the entry allowances for people from outwith the EU. I get the impression that what this is all about is controlling immigration and ensuring immigration to the UK is stopped and stemmed. I have never heard anything from some of your colleagues within the Leave campaign that this is all about trying to equalise it and trying to encourage more people who are outwith the EU to come to the UK.

Tom Harris: If you will forgive me, Chair, Nigel Farage is no more a partner of mine in the Scottish Leave campaign than David Cameron is of yours. Nigel Farage is in a different campaign. I am the Scottish Vote Leave, which is part of the Vote Leave officially recognised campaign, not Nigel Farage's.

Q127 Kirsty Blackman: I want to ask about red tape. We heard last time we took evidence on EU red tape, about the fact that a lot of people talk about red tape but they cannot give us tangible examples of where this has been an issue. Can you give us some tangible examples of where red tape has been a concern?

Tom Harris: Yes, I can. Before I do that, let me put it in context, because I think there has been some concern about the UK Civil Service gold-plating over EU regs. That is an historical thing, because the legal system in Europe is different from the legal system as it pertains in the UK, Scotland and England. The continental tradition is if something is unregulated it tends to be illegal—that is how they look at it—whereas in Britain regulation tends only be applied if you want to limit excess, so there is a different kind of political and cultural approach to regulation.

But I will give you an example. There is a certificate of professional competency, mainly for the haulage industry, where drivers have to go and get this qualification every few years, which is an EU qualification, an EU obligation. There is not a pass or a fail on it. Once you have the test, you have your CPC certificate for the next few years, but there is no pass or fail. The time it takes drivers to take off work to go and sit that test is basically empty hours. That is where the cost is to that particular industry.

There is another thing called the CE mark, which is applied to the construction industry, so any company that hopes to bid for local authority contracts or which hopes to apply for planning permission for projects, any product that they use must be CE approved. The CE mark is quite difficult to get. I have had reports from people in the construction industry that it is a barrier to new people coming into the construction industry, but, like the CPC, it

does not guarantee a level of quality or standard; it is an approved European mark that all of these companies must apply for or else they are not allowed to operate.

I think it would be wrong for Vote Leave to say that, “Vote leave, we will come out of the EU and we will get rid of all these regulations”. That is not what it is about. What it is about is saying that an EU regulation should only apply basically to companies that do import or export into the single market. It should not apply to companies that don’t, so it should only apply to one in 20 companies in Scotland. We are saying that regulation does not have to be done on a trans-continental basis. It should be done on a national level that is appropriate to our circumstances, and I would hope that Scottish Ministers would have an input on that.

Q128 Kirsty Blackman: Just a wee follow-up, I heard good things said about things like the CE mark and I think that people do consider it as a mark of quality. In terms of this red tape, the EU rules and the gold-plating, I am not sure that what you have said is necessarily an issue with the EU rules. Is it the way that local government, for example, are implementing these rules and are making them happen?

Tom Harris: I think that is valid. From what I hear, over the last five years there has been less gold-plating. I think the coalition Government made some advances in reducing the unnecessary levels of gold-plating. I think the problem isn’t so much in the gold-plating. It is in the number of EU regulations, but particularly the number of EU regulations that apply to companies. You wonder why it applies to a company that has no import or export relationship with the EU. If you are a foreign company outside the EU exporting into the single market, you must comply—of course, absolutely right—with the standards that the EU dictates. But that does not mean that every single other company in America, for example, has to comply with those same rules, because only the companies that export into the single market have to apply them. I think that is just commonsense.

Q129 John Stevenson: We all take an interest in opinion polls and the view of the opinion polls from Poll Star suggest that Scotland or Scottish voters are more in favour of the EU than the rest of the United Kingdom. Would you agree with that?

Tom Harris: We will see. I think sometimes the gap is exaggerated, but there clearly is a difference. I am asked about this quite a lot. From a personal point of view, not an official Scottish Vote Leave point of view, there are a number of reasons for that. For the last 50 years or so, whenever there has been a debate about the constitution of Scotland, it has been about one thing, and it has not been about Europe, it has been about Scottish independence. So I think to a certain extent, in a way, that that has not happened in England. The EU debate has not had any level of attention. Also, importantly, the demand for so-called Brexit has been seen as a peculiar obsession of the Conservative Party. In Scotland, that means it has been isolated. It has been cast aside, “No, we don’t pay too much attention to it, because it is a bit of a Tory argument”. I think there is some validity in that, and that is a shame because these are issues that should have been debated for much longer and more in depth in Scotland. My own view is that is one of the reasons for the, “If the Tories hate it, then it must be good” sort of attitude.

Q130 John Stevenson: Therefore you don’t anticipate Scotland voting to come out and the rest of the United Kingdom voting to stay in?

Tom Harris: I am an optimistic person, so I am still aiming for a majority of Scots. That is absolutely my aim. Most of the polls are showing that SNP supporters, for perfectly understandable reasons, are more likely to be the ones that vote to leave. As I know from personal experience, SNP voters are the largest group of voters in Scotland so that is something I welcome. Obviously I excuse elected Members on this, Chair, but you can see why an SNP voter, offered the chance for new powers for the Scottish Parliament by default, without a big argument and a big rally down at Westminster, you can understand why that is an attractive prospect.

Q131 Chair: Surely, if it was the majority of SNP members, then we would see more movement in the opinion polls towards Vote Leave. I think it is quite something to characterise this as a Conservative issue that, because the Conservatives like it, therefore, there must be something that the Scottish people must react against. Isn't it a fact that the Scottish people quite welcome the membership of the European Union? It is something that we think is important and it is something that we have enjoyed in the course of the past 30, 40 years.

Tom Harris: That remains to be seen, Chair. I think the turnout will dictate how strongly people feel about it and how engaged they are in this debate but, from my own discussions that I have had, first of all with fellow Labour Party members, with neighbours, with parents at my kids' school, I don't detect a great deal of knowledge. I don't mean that in a condescending way. I just think it is something people are not all that interested in. It is almost like, it is a fact of life, it is there, a shrug of the shoulders, rather than enthusiastic. I have said this before: I think support for the EU in Scotland is very, very wide; I don't think it is very deep. I think that, once people hear the very reasonable, middle road arguments against its membership, I am confident that they will listen to them and act on them.

Q132 Chris Law: I have numerous questions and I don't know where to begin, but I will start with the first ones I have now. Tell me, why is it the Leave campaign has no White Paper? It is a basic thing that most people need to see: what is the case for leaving the EU? We have heard a few scare stories today and a few remarks about some of the benefits, but why isn't there a White Paper, something clearly laid out for everyone to see? Because I think you said 25 years this has been going on, so surely that is plenty of time to produce a White Paper, is it not?

Tom Harris: Sorry, what do you mean "25 years"?

Chris Law: I think you said Goldsmith had brought up the argument 25 years ago, so we have been waiting for this vote for 25 years, so surely there should have been a White Paper by now. Or was it John Edward previously? I do apologise; my apologies.

Tom Harris: Yes, I think that is a valid criticism. If you remember—and I don't want to trespass on personal grief—during the Scottish independence referendum, let's just speak to the elephant in the room, the SNP did produce a White Paper. I don't think that did their campaign any good. I think all it did was set up a number of targets for the Better Together campaign to attack. I came into this campaign at a relatively late stage, only back in March, so I have not been involved at senior level up until March, so I was not involved in any debate about whether we should produce a White Paper. There is a lot of advice and information on the Vote Leave website about what practically would happen after 23 June

if we vote Leave in terms of informal discussions, followed by formal negotiations, followed by the actual practical effects of leaving and the implementation of whatever new agreements there were. But I think it is a perfectly reasonable criticism to make. I am not personally convinced that it would help the campaign.

Q133 Chris Law: Just to take the White Paper in Scotland, before they published a White Paper in Scotland for the Yes campaign, we had around about 25% to 28% support. By the referendum date, we had about 45%. In fact, that is exactly what it was, so surely that is showing it did work. But I am astonished that, in all these years there has been this campaign for Brexit, there has not been a single White Paper published.

I would also like to ask you a couple of questions about the things you brought up at the beginning of your presentation. You said that Scottish students lose out on the tuition fees from the EU. Is it not also the other way around that, when Scottish students go to the EU, they also don't have to pay tuition fees?

Tom Harris: That is the case, yes.

Q134 Chris Law: So that is a benefit both ways then, is that correct?

Tom Harris: That is a benefit both ways. I am not going to be one of those campaigners who say that everything about the EU is dreadful and everything about leaving is wonderful. I think there are benefits to the EU, and you have mentioned one of them. The corollary of that is that there are fewer Scottish students at university today than there were 10 years ago, 5% fewer—and I will give you the actual figures—but there has been a concomitant increase in the number of EU students. For example, it is not in grads, it is not in free tuition that we have to treat EU students as Scottish students on a level playing field, it is on actual applications to university. I think that if you are a Scot applying to a Scottish university, you should be given preferential treatment. That cannot happen under EU law and the result is that fewer Scots are going to university in Scotland. They may well be going abroad and that is great for them but, I will be honest, I am more concerned about access to Scottish universities.

Q135 Chris Law: Why is it the case that not a single university in Scotland has made the case they want to join the Leave campaign? In fact, every single one of them, bar one, has joined the Remain and one is sitting neutral.

Tom Harris: You are absolutely right, I am not aware of a single organisation that is in receipt of huge amounts of EU money that has advocated a Leave vote.

Q136 Chris Law: What you are saying is the EU does benefit the universities, is that correct?

Tom Harris: No, I am saying that the money that we get back from the EU, once we pay for every single penny of activity and investment that the EU nominally gives to any British institution, we would have a lot of money left over. We can afford to pay to the universities exactly what they are getting from the EU at the moment, but the fact is that, if you are receiving very large quantities of money ostensibly from the EU, then it is not very surprising that those academics are going to advocate a Remain vote.

Q137 Chair: Surely there will be much more money available to the universities in your scenario, where all this money is going to be returned. Why aren't they rushing off to join your campaign?

Tom Harris: Presumably they are as sceptical about that as you are, Chair.

Q138 Chris Law: I want to ask about the campaign movements, because there are two: there is one called Grassroots Out and another one called Leave, which reminds me of the "Life of Brian", where you have the Judean People's Front, not to be confused with the People's Front of Judea. Can you tell me what the difference is between the two and if one is comprehensively already covering the key evidence of the other?

Tom Harris: The two campaigns have to be completely separate for legal reasons, so we cannot co-ordinate our activities because they have a separate budget, we have a separate budget and the Electoral Commission would frown, quite rightly, on any co-ordination, because it would look like it was a single budget and we don't want that to happen. We need them to be entirely separate from what the Scottish Vote Leave and the Vote Leave campaign is. Grassroots, I am not particularly familiar with them. I have to reiterate, I have only been involved in this campaign since March. I think there were more than the two organisations originally, and there is a long history about why there are separate organisations and the personalities involved. I feel quite privileged in not ever having been involved in any of those discussions.

Q139 Chris Law: Because I understand that Liam Fox is leading up the Grassroots Out campaign, and he was up in Scotland talking about it in April. I am a little bit confused what the differences are between the two and, if I am confused, what is the general public perceiving between the two?

Tom Harris: I don't think the public could care less. We are not asking for support for a particular campaign. We are asking for support for a Leave vote, and if they vote Leave because someone in Grassroots Out has spoken to them or they vote Leave because I have spoken to them, I don't care. We just want people to vote Leave.

Q140 Kirsty Blackman: I want to come back about CE markings, because I knew I had seen them before and it has got through my brain. Toys are CE marked. That is a mark of the toy being safe. It means it is not flammable. It means it is safe for children to have. Surely you are not suggesting that that is unnecessary red tape?

Tom Harris: No, I am not and, let's be honest, outside the EU we would still want to have those safety markings. That particular CE marking that I was talking about in the construction industry, as it applies to the construction industry for any company that wants to bid for a local government contract or for planning permission, in those circumstances, in the construction industry, it is not only a barrier to entry to the industry but it does not guarantee any level of quality at all. But you are absolutely right on child safety. The Vote Leave campaign is in favour of child safety, just in case there is any doubt about that.

Kirsty Blackman: I was just getting clarification of that. Thank you very much.

Q141 John Stevenson: The Prime Minister has said that the Leave campaign, rather than UK Government, needs to answer the questions about what the UK will do in the event of a Leave vote. What do we do in the event of a Leave vote?

Tom Harris: Can I preface my answer by pointing out that if there is a Leave vote on 23 June, every single Member of Parliament, including everyone around this table, will be full-square behind making sure Britain gets a good deal out of any new negotiations. Irrespective of how you feel about it, whether you are disappointed or whether you are angry or whatever, surely anyone in public life is going to say, “Right, let’s get behind the UK negotiating a new deal”. So people should be reassured that it is not going to be the Leave campaign negotiating. It is going to be the British Government. It is going to be Scottish Ministers. It is going to be, I hope, talent from across the parties, from civic society and from business, however they feel about the result, all working together for the UK’s benefit. I think it is important to say that, because people should be reassured that it is not going to be a minority interest.

Q142 John Stevenson: On that very simple point, would you, therefore, agree that every single European Government and politician in Europe will be doing their absolute best to make sure that Europe gets absolutely the best deal for them in any negotiations with the UK?

Tom Harris: I would certainly hope so, because a good deal for Europe would be a good deal for the UK. On the day that we leave the EU, we become the largest export market for the EU, with however many jobs depend on trade with the UK. There is no contradiction there; there is no conflict of interest. What is a good deal for the UK would be a very good deal for the EU. We are told by the Remain camp that the EU nations are our friends. They want to keep us close. They want to look after us. They want us to prosper, “But if you leave we will destroy you”. I don’t think that is what they are saying. I don’t think there is a single EU nation who wishes us ill.

Once we are out, once we can have the right to negotiate our own trade deals, which most people are unaware that we are not even able to do at the moment—given how close we are in terms of regulation, in terms of the relationships that already exist—there is absolutely no reason in the world why the EU would not want to trade with us.

Q143 John Stevenson: What do you think we should do in the event that we do have a—

Tom Harris: There are number of technical things you have to do. First of all, there would certainly be no need to immediately revoke our membership of the EU right away. The negotiations would last as long as they last. We would have to go into negotiations on a trade deal first of all with the EU but, at the same time, we have the facilities, we have the resources to start looking at trade deals with other big players, like India and China and the United States. There is absolutely no reason.

Interestingly enough, I was speaking to the Scottish Whisky Association, who is supporting the Remain camp, and I was asking them about the barriers to having a trade deal with India. The EU, representing 28 different countries, have been trying to negotiate a trade deal with India for nine years and we are still not there, and yet Scottish whisky only has about 2% of the market over there and it is facing tariffs of 150%. We need a trade deal. When I asked the Scottish Whisky Association what the biggest block to a deal was, it was visas for Indian citizens to the UK. They are not going to get what they want from the EU because they cannot, because—going back to the immigration issue—as long

as we have unlimited immigration from the EU we cannot significantly increase the number of visas we give to non-EU countries, but we can if we are outside the EU.

Q144 Chair: That is getting back to the suggestion in this proposal that the UK Government are going to look much more generously and benevolently in giving visas to people from the Indian subcontinent. Again, there is no evidence that the UK Government is of a mind to do anything to fulfil that.

Tom Harris: On the contrary, Chair, historically, given the political and cultural links we have had with, for example, the subcontinent, there is a reason why Urdu is the second-most popular language in Scotland.

Q145 Chair: You are asking me to take a leap of faith. I think it is taking a massive leap of faith to think that the UK is going to change its immigration views about accepting people outwith the EU more benevolently and generously.

Tom Harris: It is not about a leap of faith. It is about what our vested interest is.

Q146 John Stevenson: Getting interrupted does interrupt the train of thought. Carrying on with this theme, just out of interest, do you think the present Government is doing enough with regards to planning for a potential leave?

Tom Harris: Honestly, I cannot address that. I don't know what is going on behind closed doors with the Civil Service. I imagine that certain boxes have been ticked as far as the Civil Service is concerned, but I could not speak to that at all, I am sorry.

Q147 Chris Law: I want to come back to the Scottish Whisky Association. I thought I would have a look at their position. David Frost, who is the chief executive, said, "The EU's single market, including its regulation of food and drink, and its single trade policy, are central to Scotch Whisky's success. The single market lets us trade across the EU simply and easily". It does go on and say a little bit about, "The agreement secured with the EU includes a welcome re-statement of the importance of a deeper and freer single market and for the EU to be more ambitious and free-trading internationally". So, while it welcomes some reform, there is no talk of it supporting any leave or a major criticism of the EU. They say it is vital to the future of Scottish whisky.

Tom Harris: No. For the record, Mr Law, I did say to the Chair that when I made my comment to Scottish Whisky, they are unequivocally in favour of the Remain campaign and in favour of a Remain vote and I want to make that clear. I am not praying in aid their support at all for my campaign. I am simply pointing out what I think is a flaw in their strategy for achieving a trade deal within India. I don't think it is going to be possible, or at least on the terms that will benefit us as if the EU were negotiating on our behalf.

You did quote David Frost, the chief executive of the SWA. He did say last year that the membership of the EU was not important, what was important was the quality of the product. This is an argument I have been making for a very long time. It is not about trade deals. You can trade without a trade deal. It is not about tariffs. It is about the quality of the product. The market will decide whether you have something that it wants to buy. If we produce things of high quality, the world will buy it. In France we sell more Scotch whisky

in a month than they sell Napoleon brandy in a year, and that is because it is a high-quality product. I think we should have confidence in what we produce because people will buy it.

Q148 Margaret Ferrier: Before I come on to the main question, the EU single market rules are underpinned by a strong core of social rights, especially for workers, for example, health and safety provision, temporary agency workers' rights, parental leave, paid annual leave are a lot of what is included. At the moment we see the UK Government wants to downgrade human rights and they are bringing in a British Bill of Rights. I could go on then and mention food labelling and cosmetic regulations—I am sure Mr Harris will not be interested in the cosmetic regulation, but I certainly am—and it strengthens the safety of these products. We only need to look at the Transatlantic Trade and Investment Partnership as well, where USA law is not really as sturdy as EU law. That is some of the benefits of being part of the EU and having sturdy laws at the moment.

Tom Harris: First of all, can I say that the recent publicity about the Conservative Government wishing to downgrade human rights by introducing a Bill of Rights, that is being done at the moment inside the EU. The EU is not offering any protection at all to what the Government is doing. Inside or outside the EU that is something that is happening. That is proposed by the Home Secretary, who supports the Remain camp.

Secondly, if you look at some of the great leaps forward in workers' rights in this country, protection against discrimination on the grounds of sex, protection against discrimination on account of race, the national minimum wage, maternity leave of a year, they were all brought in at the UK level. In fact, the first two I mentioned on race and sex discrimination were brought in before we joined the EEC.

Q149 Chair: They were also brought in when we were members of the EU.

Tom Harris: Yes, and completely separately, with no influence from the EU. The national minimum wage, for example, that the Government—

Chair: I don't understand your point. These things happened as members of the EU, so there is nothing that would stop us from doing it as members of the EU.

Tom Harris: Absolutely correct, but what I am saying is that those advances were made completely outside the institutions of the EU. They were made by British politicians elected here, accountable to our electorates. The biggest steps forward in workers' rights did not happen because of EU law.

Q150 Chair: Do you not have any concerns with British politicians here, which is currently a Conservative Government, being solely in charge and in power when it comes to things like employment rights, when it comes to things like human rights, which is currently decided within the European Union level? We are going to have to leave that up to Westminster. We are going to have to leave that up to the Conservative Government who, again, don't take the most enlightened view on these issues.

Tom Harris: As I say, the attack—if you want to call it an attack—on human rights, with the introduction of the Bill of Rights, is happening at the moment and we are still within the EU. It is being done by politicians who support the Remain camp. But, yes, I am still a member of the Labour Party. I was a Labour MP until a year ago. Of course, I would rather

have a Labour Government than a Conservative Government. I make no apology for that, but let us remember this current Conservative Government, any Government, still wants to be re-elected. I am not convinced. When the minimum wage came in, I remember vividly people saying, “When the Tories get back in they will get rid of the minimum wage”. We now have a living wage. I am not making a defence for the Conservative Government, but Governments do what they need to do to get elected. They legislate for popular things.

Q151 Chair: Isn't the European Union our guarantee of these basic rights? Can we not rely on that to ensure that they are always going to be there, whether it is a Labour Government—which might do wonderful, enlightened things—or whether it is a Conservative Government, that with these mechanisms in place, British workers, human rights across the European Union are always going to be in place and we can rely on that and count on that as being a feature of our democratic life?

Tom Harris: I would invite you to ask trade unionists how they feel—

Chair: We have spoken to the trade unionists.

Tom Harris: —about the level of protection they have had against the latest Conservative Government Trade Union Bill, which I think is introducing all sorts of unpleasant areas to public policy. I don't think the European Union has done very much in protecting workers' rights in that respect.

Q152 Margaret Ferrier: I have one more question. You have been putting across a strong argument for a Leave vote on 23 June, but previously you said that you pretty much assumed that you would vote Remain at the referendum, but when the Prime Minister came back after his meeting in Brussels and presented his deal, to quote you, I think you said, “The red mist descended” and you changed your mind. So where do you think the Prime Minister's deal falls short?

Tom Harris: We don't have enough time for me to tell you all my problems with it.

Chair: We don't have enough time, so if you can make it as brief as possible on this point.

Tom Harris: Yes. Essentially, I have a particular problem with my own party, who constantly will say, “Yes, the European Union is flawed. It does this wrong. It does that wrong, but you can only reform from within”. What I realised, belatedly, when David Cameron returned with nothing from his negotiations was that you cannot reform it. If a Conservative Europhile Prime Minister goes to the EU and goes to other national leaders and says, “Look, I need these reforms. I have a referendum happening in three months' time and Britain, the second-largest contributor, might leave the EU that is how important it is that you give me these reforms” and they turn around and say, “No”. If you cannot reform under those circumstances, I promise you, you will never get reform.

Chair: You have only one minute left.

Q153 Mr Christopher Chope: Can I make the point that at a press conference earlier today, Steve Hilton made that very point? When asked why the Prime Minister thought that he was going to get a better deal, Steve Hilton said that he genuinely thought the Prime Minister believed that he would be able to persuade his European partners that, because we felt so

strongly about this issue, they would make concessions, and because he did not win those concessions, to use Steve Hilton's words, "The Prime Minister and the Chancellor of the Exchequer found themselves in a rather confused position". That is why Steve Hilton is very strongly saying we must leave. Chairman, going back on what you were saying earlier, you were challenging as to whether or not anybody else was saying, as our witnesses, that we need to have control over all migration from across the world. What Steve Hilton has said was, "Because we have no control on EU immigration, we have to clamp down on everything else. In a globally-connected world where talent lies everywhere, this old-fashioned discrimination is counter-productive economically and culturally, turning away brilliant Chinese students, Indian mathematicians and so on. Don't you think it would make more sense if we had an immigration policy that was open to the brightest and best from across the world, not a small part of it?" That is not possible within the EU, and isn't the situation in Scotland, which has always been outward-looking, that Scots would be much more prepared to have open borders with the whole of the rest of the world, on the basis of merit, in the same way as Scots themselves have made such a big contribution globally?

Chair: If you could, Tom, briefly answer that.

Tom Harris: Of course. It comes back to the immigration debate. The EU referendum is nothing to do with race. It is about skills. It is about wanting to attract people who have a particular skillset, which we cannot do in the current situation. It is also about whether or not you have confidence in the Government to provide the homes, the services and the school places for the 3 million EU citizens who will be living here by 2030, according to the last Treasury report.

Q154 Chair: We are very grateful. We know we have detained you and you have answered all these questions very fulsomely. Thank you very much for that.

Tom Harris: It has been a privilege.

Chair: If you have anything further, let us know what your views are on that. Thank you for that.

Examination of Witnesses

Witnesses: **Rt Hon David Mundell**, Secretary of State for Scotland, and **Rt Hon David Lidington**, Minister of State for Europe, gave evidence.

Q155 Chair: I am very grateful to both of you for coming along to this session this afternoon. We do not have much time, so we hope to rattle through as many questions as possible, so we are not going to ask for any opening statements.

Maybe we could kick off because we know that the Prime Minister is renegotiating the UK's relationship with the EU and is campaigning for the UK to remain in a reformed EU. How will these reforms affect Scotland? If we take it from you, Mr Lidington.

Mr Lidington: In terms of how the reforms achieved in February specifically will affect Scotland, I think in particular Scotland, like the rest of the UK, will benefit from the principles that will define the future relationship between those countries in the euro and

those that have chosen to remain outside. I think if we look to the long term, this was a very important element of the overall renegotiation, because I believe that economic logic will require our neighbours who have committed themselves to a currency union, a single monetary policy, a single interest rate, a single central bank, over time to integrate their fiscal and economic policies more closely, and that in turn will require some mechanism to create political accountability at eurozone level for those decisions.

The test for Europe, for the Union as a whole, is how to make that possible, and I believe that it is in Scotland's and the UK's interests that the eurozone should be stable as a currency union, not moving from one crisis to another. How do you do that, while at the same time respecting the integrity of a single market of 28 and the right of those countries that are outside the currency union to have their interests properly respected? I think the principles agreed in February: non-discrimination on grounds of currency against any company or Government, a principle that eurozone integration must take place in a way that does not compromise the single market at 28, including financial services at 28, and no liability of non-euro countries for bailouts of eurozone countries, those are really important principles.

The other thing, since our time is limited, Chairman, what I referred to in the February European Council conclusions was the declaration on economic competitiveness and the commitments on smarter regulations, because those touched on matters that were of particular concern to the Scottish Government when they put forward their own proposals on European reform and negotiation.

Q156 Chair: We are grateful for that. There were lots of words in there I am struggling to sort of process. Where we are just now is that we have this renegotiation that the Prime Minister secured in February. I think you could ask 100 people in Scotland exactly what the Prime Minister secured and I am pretty certain next to none would be able to tell you what they were. I am pretty certain if we went around this table here it would be quite hard for anybody to recall exactly what the Prime Minister secured and negotiated back in February. Isn't this absolutely nothing whatsoever to do with renegotiation and it is more about the themes of sovereignty, about trade and about immigration?

Mr Lidington: I think both sovereignty and trade are important issues, but if I had to sum up the central achievement of February, it was a commitment by all member states of the European Government at head of government level that the future model for development should be one where we all accept that different levels of integration could be chosen by different EU members, that it is no longer a question of perhaps different speeds to a single destination, but of a permanent choice by some countries not to proceed to the degree of political integration or the fiscal and economic integration that other members of the Union, for their own reasons, may choose to do.

Q157 Chair: We have tried to identify what the big themes are in Scotland, the things that people are debating when it comes to this EU referendum and it seems to be pretty much similar to what is happening in the UK debate. They do seem to be around sovereignty. We are hearing less and less about trade because the Leave campaign is less likely to touch on that, but it is mainly about immigration. It has become a case about immigration. I would like to ask the Scottish Secretary this question: given that this has become such a big theme, do you recognise that there is a different immigration requirement in Scotland than the rest of the

UK, and this is a debate that is possibly not helping a real, considered case in Scotland that people have now had a good look at the issues involved?

David Mundell: Chairman, I don't recognise your characterisation of the debate in Scotland. I think that the focus of the debate in Scotland is around the economic issues and the economic benefits that Scotland gains from being within the single market, the impact that that has on the hundreds of thousands of jobs in Scotland that are affected by membership of the EU, and what the likely impact on individual citizens in Scotland would be if Scotland and Britain left the EU. That is the debate I hear in Scotland. Obviously, I think we would all accept that the debate in Scotland is at a different place because we have had the Scottish parliamentary elections, which have been the focus of the electorates' intention in Scotland for the last couple of months. But my interpretation of the debate, as I see it, in Scotland is focused on those economic issues.

Q158 Chair: In your conversations, have you noticed a distinct debate in Scotland then about the EU referendum? Are there any themes that have emerged that Scotland is considering when it is looking at this question that is maybe distinct from the rest of the UK?

David Mundell: I would not say "distinct", in that a number of the issues could arise in other parts of the United Kingdom, but obviously as was raised at Scottish Questions last week, the Scotch whisky industry is an enormously important industry to Scotland and the Scottish Whisky Association have been very, very clear that for their industry it is vitally important that they remain in the EU, because of all the trade arrangements, because of all the arrangements that are in place in relation to labelling and tagging, all these things that are in place that would have to be opened up if Britain was to leave the EU.

Obviously farming I think is an industry that has a disproportionate importance still in Scotland compared to some other parts of the United Kingdom, and you took evidence yourself that the farming community in Scotland is very, very clear of the benefits to that industry, which then leads through to the food processing industry. I think the distinct elements within Scotland necessarily shape our debate, but I am sure that there are farming interests in England and there are spirit producers in England who would echo those arguments.

Q159 Chair: As a last question and an opening question from me, do we need perhaps a different type of conversation in Scotland, given the experience with the referendum? You and I were on other sides in the last referendum debate and curiously find ourselves fighting on the same side in this one, but some of the more exaggerated claims that have been made, particularly from UK Government, things that you and I would remember as the scare stories and the self-styled Project Fear, do you think this has a more negative impact in Scotland, given our experience of the last referendum? Is there anything that you can maybe do to caution the Minister, who is going to be speaking on behalf of the UK Government, to maybe tone it down a little bit when it comes to some of the more exaggerated claims about leaving?

David Mundell: My first point, and it is one that I would make again to the First Minister, to yourself and your colleagues in your party, I have heard the calls for a positive campaign, but then they are usually followed up by a whole range of negative statements about the way the campaign is being run or process, or even the impact that it would have on having a second independence referendum in Scotland. I think those people who are positive about Scotland remaining in the EU should be out there making a positive case.

That is all of us, and I think we can all shape the debate in Scotland by making a positive case. It is not enough just to say, “Make a positive case”, you have to go out and do it. You will recall that 10 days ago I appeared on the “Question Time” programme from Aberdeen making the positive case from the EU. Of course, the person making the case for Scotland leaving the EU was Jim Sillars, the former deputy leader of the SNP.

Q160 Chair: Just on this, for the Ministers before we move on, these things, like mentioning war and pestilence and economic ruin, it was all the things that we are familiar with around this table from the Scottish referendum. Do these things help an educated, informed debate and how can we characterise this positively?

Mr Lidington: I would always caution, Chairman, against reading too much into the headlines in some of the tabloid newspapers. If you look, for example, at the Prime Minister’s recent speech about the security and foreign policy dimension of our membership of the EU, what you will find there is a very positive case being made, both for the way in which the EU has been able to reconcile ancient hatreds that did in the past lead to bloodthirsty conflict between the nations of Europe, but also the Prime Minister referred to how the membership of the European Union amplified the United Kingdom’s own ability to secure our global diplomatic and commercial objectives.

There are issues that face us all, instability and poor economic growth in many countries in Africa, which is one of the key driving forces behind the mass movement of people northwards towards the European continent. Not we, not France, not Germany can solve that on our own. Working methodically together, using development aid, using diplomatic action, training police and military border forces in those countries, using trade access agreements to give people in those countries some hope of a decent living and fulfilling their ambitions without having to move, we stand a chance over time of managing those challenges.

Q161 John Stevenson: The Prime Minister recently said there was remarkably little difference between Scotland, England, Wales and Northern Ireland in terms of whether people supported a referendum. Contrary to that, there seems to be polling evidence that the Scots are more enthusiastic about the EU than the rest of the United Kingdom. What do you make of that?

David Mundell: I would interpret his remarks—which I think were in some questions that Mr Wishart had raised with him, I believe, in committee—about whether there was demand within Scotland for a referendum. The last time that a specific poll was taken in Scotland by Ipsos MORI, it indicated 58% of people in Scotland supported there being a referendum on whether Scotland and Britain remained within the EU. I think having a referendum on EU membership is entirely consistent with having a referendum on whether Scotland remained within the United Kingdom, which obviously we did in 2014. People in Scotland, just as people across the United Kingdom, will be able to have their say in the debate.

Clearly, I support Scotland and Britain remaining in the EU. I think we have to acknowledge that there are people within Scotland who will vote to leave. I don’t think it is right to characterise the number of people who support leaving the EU in Scotland as the number of people who voted for UKIP in the Scottish Parliament elections. Clearly

significantly more people than that do, but I expect Scotland to vote and I expect the United Kingdom to vote to remain in the EU.

Q162 John Stevenson: You see no significance that the Scottish vote is significantly higher than the rest of the United Kingdom in terms of support for—

David Mundell: This is clear. We have had a number of debates, obviously, as the EU referendum bill was passed, but this is a UK-wide vote. Everybody's vote counts the same, whether they are in John o'Groats or in Land's End and the result will be determined on the UK-wide vote.

Chair: I am very conscious of the time and we hope to get through as many questions as possible, so if I could ask colleagues to ask brief questions and brief replies too, if that is okay, from our assorted Ministers.

Q163 Margaret Ferrier: In a speech on 9 May, the Prime Minister said that, "A vote to leave the EU could lead to the disintegration of the United Kingdom", so does this mean that the UK Government has accepted that a vote to leave the EU would mean that there would be a second independence referendum in Scotland, and, if not, what did the Prime Minister mean by that statement?

David Mundell: I certainly don't believe that the Prime Minister meant or would wish to indicate—and I certainly don't wish to indicate—that the EU referendum has anything to do with the Scottish independence referendum. We have had a Scottish independence referendum. People have voted decisively to remain within the United Kingdom. This referendum is not about Scottish independence. It is about whether it is best for Scotland and Britain to remain in the EU. I think what the Prime Minister was clearly indicating is that, if Britain does vote to leave the EU, then there will be a pretty chaotic situation within the country as we adjust to the changes that that would bring about and the likely lengthy period that that would take to negotiate a new settlement of whatever kind of relationship that we were going to have with the remaining EU.

Q164 Chair: Can I say I am not particularly sure if that was exactly what the Prime Minister was intending by these comments? Because I remember listening to him very carefully and my perception was not what Ms Ferrier took away from it.

But can I ask you: is there now a possibility—maybe even a likelihood—that Scotland will vote to remain within the European Union? Every opinion poll is indicating and suggesting that, where the opinion polls in the rest of the United Kingdom seem to be 50:50, some for, some against, so there is a possibility that Scotland might get pulled out against its national collective will, given that we might vote to remain, where the rest of the UK will vote to pull out. What would be the UK Government's message to the people of Scotland in that scenario? Are we to get over it, shrug our shoulders and say, "Oh, that is part of being in the UK, we have to accept it"? Would you have a message for the people of Scotland in that situation?

David Mundell: What I am quite clear, Mr Wishart, is that when we had the independence referendum in 2014, there was a lot of discussion as to whether we would have this referendum in relation to membership of the EU.

Q165 Chair: If you don't mind, Secretary of State, how I recall that conversation about the EU is it would only be in voting in "No" in the independence referendum that would almost guarantee an EU membership. Now this Government has taken us to the brink of leaving.

David Mundell: Obviously, we are not going to agree on that interpretation of the debate around the independence referendum. I recall, on many occasions, those who favoured Scotland leaving the UK arguing that there would be an EU referendum and that there was a potential for Scotland and Britain to leave the EU in that referendum. I think that issue has been debated.

Q166 Chair: If we are taken out against our will?

David Mundell: But my message to people in Scotland, and I would hope that it was the SNP's message, was, "Come out to vote to remain".

Chair: Yes, we will do all that.

David Mundell: Yes, but you have to follow it through because, between the UK general election, when 1.5 million people voted SNP and the Scottish Parliament election when 1 million voted SNP, nearly 400,000 people did not come out to vote. I think your energy should be out there getting people out to vote to remain in the EU, if that is what you really believe in.

Q167 Chair: Could I say to you, Secretary of State, that the support for the Remain in Scotland, according to all opinion polls, is significantly higher than it is throughout the whole of the United Kingdom, so obviously—

David Mundell: Yes, but you will understand, Mr Wishart, that votes and polls and the number of people who turn out to vote at elections are two quite different things. Therefore those of us who want Scotland to remain in the EU our effort is to get people out to the polls to cast these votes, so that we get a Remain vote in Scotland and a Remain vote across the United Kingdom.

Q168 Chair: Absolutely, agreed. I will try for the last time, and I think I have asked you this in Scottish Questions, but I will ask again here today: if Scotland is dragged out of the European Union against its collective will, what will the UK Government do in response?

David Mundell: The message from the UK Government is that this was a UK-wide vote, which will be determined across the UK. I think it was very interesting to note the polls at the weekend, and we are talking about polls that indicated very clearly that the majority of people in Scotland, if Scotland was to leave, if there was a vote to leave the EU, even though Scotland had voted to remain in the EU, would not favour a second independence referendum.

Chair: All right, I think I have tried my hardest with that one.

David Mundell: I think that was very, very clear from that poll.

Q169 Kirsty Blackman: Just a very quick question then. In terms of encouraging people to vote, the best way to encourage people to vote is to make it relevant to them, so can you tell us the positive tangible benefits to individuals and families in Scotland of remaining in the UK—in the EU?

David Mundell: Yes, I can certainly do the former. The latter is, first and foremost, employment, the hundreds of thousands of people in Scotland who are currently in a job because of the opportunities for Scotland within the EU; the opportunity for Scots to move around the EU to secure employment in other parts of the EU; the opportunity to pay lower prices within the shops and within your household bills than would otherwise be the case. I think these economic arguments are the ones that are the strongest for ordinary Scots, but I also believe that we are safer, that we are more secure, that we have more influence as part of the EU. I think that the EU in Scotland has been positive for our remote and island communities, for example, and delivered a lot of specifics there. I think that people's lives generally in Scotland have been enhanced by being part of the EU. On the other hand I don't accept, though, to set out that I think that there would be less so because we left, is necessarily a negative campaign. I think it is important that we do set out to people what would happen.

Chair: We are grateful, yes.

Mr Lidington: Can I perhaps come in in response to Ms Blackman's question? Let me give a list of some of those gains. Scottish people when they travel to any other country in the EU will be able to have very low mobile phone data charges. Those charges will be phased out entirely within the next year or so. If you are running a financial services company in Edinburgh or Aberdeen or Glasgow, your company has a passport to operate anywhere in any of the 28 other European countries, employing people and making wealth and work back in Scotland. You can fly from a Scottish airport inexpensively to all parts of the European Union because a common system of aviation regulation across Europe, Single European Sky, has swept away the old national restrictive practices and protection of national flag carriers that kept European airfares at prohibitive levels in the past. If you are lorry driver in Scotland or you own a road haulage business, you could drive from a depot in Aberdeen to Athens with a single set of paperwork to cover your driver and your consignment without any extra Customs or inspections anywhere along the way. If you are producing food or drink in Scotland, if they meet the Scottish, therefore the UK, therefore they will also meet the European phytosanitary and other standards, and can be sold freely anywhere around the European Union. Of course Scots can travel, they can take work and they can study at universities or colleges anywhere else in the European Union on the same basis as the citizens of those other EU countries. This is a real positive advantage.

Chair: We are grateful, Minister. That is a very comprehensive list and thank you for that.

Q170 Mr Christopher Chope: I am going to address this to the Secretary of State for Scotland. The Prime Minister said, "So let me say this about Scotland, you don't renew your country by taking a decision that could ultimately lead to its disintegration". That is what he said on 9 May in a prepared speech. Was that negative campaigning, was it scaremongering or what was it? It certainly does not fit in with the interpretation put on it by the Secretary of State in his earlier remarks.

David Mundell: I think you would be clear from some of those remarks, and some of the things that are said within Scotland, that there is no doubt that some people would attempt

to use a vote by the UK to leave the EU as an opportunity to put extra effort into a campaign for independence of Scotland from the rest of the United Kingdom.

Q171 Mr Christopher Chope: So it was scaremongering, because you already said that they would not succeed in that. By reminding the people of England and the rest of the United Kingdom of this, the Prime Minister was basically scaremongering, wasn't he? Don't you agree that this referendum should be a fair and free referendum? If you believe that, why do you think it is acceptable that, at this session of our Committee, we are not able to have evidence from the United Kingdom Fisheries Minister on the very important issue of fishing, we are not able to have evidence from the United Kingdom Justice Secretary, because both those members of the Government happen to take a different view and support the Leave campaign? Is it not unfair that they are not allowed to give evidence to this Committee because of the stance that they are taking?

David Mundell: My understanding is that both of those Ministers have set out clearly their views, and if you wish to know what their views are, you would be able to clearly understand them. But I would accept, Mr Chope, that there is a UK Government position in relation to this referendum and, in terms of setting out that position, that is the role of UK Ministers who are not for leaving the EU. That is the basis on which it was agreed that members of the Cabinet and other Ministers would still be able to remain members of the Cabinet and Ministers while making a case against the position that the Government has adopted. I don't deny that these are somewhat unusual circumstances, but when the process began, and the Prime Minister made clear the *modus operandi* for Ministers who did not accept the Government position, I think everyone did understand where we stood and that it would be unlikely that Ministers offering a different position would be giving a view as part of the Government.

Q172 Mr Christopher Chope: Today—you may not have had the chance to be present—Steve Hilton, the former adviser to the Prime Minister, was making a speech and basically saying that all Conservative modernisers should be supporting the Leave campaign, because that was where the optimistic future, decentralised, devolved and global, lay. I don't know whether you have regarded yourself as a Conservative moderniser and whether you feel you have been left behind as a result of what has happened.

But can I ask you this? Financial transactions tax: the Chancellor has said that financial transactions tax may apply to the United Kingdom extraterritorially from those countries that wish to introduce it. He has said that he will fight that in the European Court of Justice, but in the same way as the European Court of Justice ruled against the Scottish Government in relation to minimum alcohol pricing, the European Court of Justice could do exactly the same on financial transactions tax and damage the Scottish financial affairs industry, couldn't it?

David Mundell: On the first point, I have always had a high regard for Mr Hilton, but I think he was someone who always took a view of producing a number of ideas, some of which would be accepted, some of which would not. I am prepared to look at his different statements and take different views on different statements he has made. I don't agree with the statement that he has made today. I do think that if you are the member of a larger organisation, those organisations have rules, and indeed a legal framework, and you have to accept the judgments that come from that. You cannot, within that environment, always have your own way and get the judgment you would want, but, likewise, I don't accept that

if Britain was outwith the EU, we would be able to do everything that we wanted. Of course we would still be bound by the realities of the international community

Chair: I am grateful, Secretary of State. We only have 10 minutes or so left, so I am quite keen to get as many members as possible in with their questions and I know that Chris Law had a question.

Q173 Chris Law: Very quickly, it is a supplementary question and it is one that probably people back home are watching. Tell me, don't you wish that the Prime Minister had never put this question to the people of the UK? It seems every party in the UK has a fairly strong position apart from the Conservatives, both south and north of the border. I am reading now there is almost 10 now, some of which are brand-new MSPs in Scotland, who are backing a Brexit. When you talk about the UK Government position, how do you include or exclude the 141 that are not going to be supporting down here and the 10 in the north?

David Mundell: Mr Law, I don't think that you are going to argue that every single person in Scotland supports Scotland remaining.

Chris Law: No, I am talking about political party members, MPs, MSPs.

David Mundell: You mentioned the Scottish Parliament. I think it would demonstrate that the Scottish Parliament was not in touch with the people of Scotland if every single member of the Scottish Parliament was in favour of Scotland remaining in the EU. That would not be reflective of public opinion in Scotland. I expect there to be a decisive vote in Scotland to remain in the EU, but I am not pretending that every single person in Scotland is supporting remaining in EU. I know one person, in the shape of Jim Sillars, for example, who is not. There were reports in *The Sun* newspaper today that there is going to be an SNP group of Brexiteers.

Chris Law: But my point is if they have elected an individual who—

David Mundell: I think it is important that public opinion is reflected in the Scottish Parliament, but I have enormous faith in the people of Scotland and the people of the United Kingdom. The people of Scotland made what I consider to be the biggest decision in our lifetime by voting to remain in the United Kingdom. I trusted them with that decision. If they voted to leave the United Kingdom, I would have respected that decision. I trust and respect the people of the United Kingdom to make this choice.

Q174 Chris Law: But my point is: do you not agree that the elected members of the Conservative Party are ill-divided over this very issue?

David Mundell: I think that when we see the result in the EU referendum, a large number of people have voted to remain in the EU—hopefully the majority—and a large number of people will have voted to leave the EU. It is quite right that their views are reflected in Parliament. We have said it is not for MPs to decide. It is not for the Prime Minister. It is not for Mr Chope. It is not for me. The people of the United Kingdom will decide and then we will respect that result and move forward.

Q175 Chris Law: I fully appreciate that, but the key point I am trying to make here is the UK Government's official position is to remain, which I fully support and so does the SNP and most other parties, for that matter, with the exception of UKIP. The point is though, from

a public perception, it is a party that is divided over this issue and it is very difficult to get that clear message to remain within the EU across as a result.

David Mundell: My colleagues who are in favour of remaining in the EU are obviously part of the Remain campaign, and colleagues who are part of the Leave campaign want to leave. It is as simple as that. Am I acknowledging that there are people in the Conservative Party who want to leave the EU? Yes, there are. Are there people that want to stay? Yes, there are. They will not decide whether Britain remains in the EU, the people of the United Kingdom will decide.

Q176 Chair: Is there anything you can help us with here, because I think to most of the Scottish people this is very much a Tory referendum, and I think somebody said—and sorry to John here—it is like two bald Tories fighting over a comb. This is how it is perceived. I am sorry, John, about that. But you brought this referendum. It was a Tory Party manifesto commitment to bring this referendum. It seems like you have taken Scotland to the very brink of possibly getting pulled out Europe against their will. How do we make it much more about what has gone on in the Conservative Party and how do you help us to achieve this? There was no desire, and I know you are going to quote this opinion poll again, but nobody voted for parties that wanted to have an EU referendum. It was only you that was determined on that manifesto commitment. Everybody else was determined on the basis of “No”, so how can you expand it out to help us?

David Mundell: Let us look at it. I am very happy to obviously take your advice on such matters. Obviously we had two referendums in the last Parliament: one to change the voting system to AV and one for Scotland to leave the United Kingdom. I think the SNP was on the losing side on both those referendums, but what happened in the 2011 election, when the SNP supported the adoption of AV, the people of Scotland rejected it but still voted for an SNP majority Government. I think that shows how savvy the Scottish public are. They can separate out these issues. They can separate out where they stand on the issue of Scotland remaining in EU. But if you want Scotland to remain in the EU, be positive about it. I have not heard a single positive thing from you, Mr Wishart, in this whole session. I know it has been short—

Chair: I know it has been a few questions, but that is all right, that usually works.

David Mundell: —but you be positive as well, your party be positive, the First Minister be positive and then we will all achieve our common objective—other than Mr Chope—of Scotland and the UK remaining in the EU.

Chair: I know the Minister was desperate to come in.

Mr Lidington: Yes, the reality is that Mr Chope does represent a significant number of people on the subject of Europe, in Scotland as well in the UK as a whole. We cannot ignore that reality. It is not a view I share, but it is a position many people do hold. I think to answer your question directly, Chairman, I would say go out and say, first of all, how people in Scotland benefit from the free trade single market in the European Union; how people in Scotland benefit from the leverage in global trade of 500 million; Scottish businesses benefiting directly from the Korea free trade deal negotiated in 2010; tell people in Scotland about how the UK shaped the EU and, through that, the global position on climate change; tell them how EU membership makes Scots safer because we can opt in to the European arrest warrant and to data-sharing, information-sharing arrangements between police forces across Europe, and tell them how it has magnified our diplomatic

reach globally, brought Iran to the negotiating table over her nuclear programme, and enabled piracy in the Indian Ocean—which was a fearsome menace—to be weakened enormously.

Q177 Chair: I think we need to see more of the Minister on TV and not the Chancellor, given the style of positiveness—

Mr Lidington: You will get me into trouble.

Chair: —that we very rarely see in terms of this campaign, so more Lidington on TV and less Osborne.

Q178 Margaret Ferrier: If the UK does leave the EU, there would be significant changes to the powers of the Scottish Parliament, as areas of policy currently controlled by the EU would then revert to Scotland, agriculture and fisheries to name a few. Have you looked at how Brexit would affect Scotland's devolution settlement?

David Mundell: We have not made, as has been indicated on a number of occasions, contingency plans for Brexit, because that is not the UK Government position. The UK Government position is obviously to argue that Scotland and the rest of the Britain remain in the EU. Obviously the point you make is self-evident: there would be significant changes for the Scottish Parliament as well as for the rest of the UK if there was a vote to leave.

Mr Lidington: There would be a huge amount of uncertainty. To take one of those issues, which is fisheries, it is simply not the case to say if the UK left the European Union there would be instant control by UK authorities over UK waters. We would still be subject to United Nations conventions governing migratory fish stocks and fish stocks that straddled national maritime frontiers. The UK would have to find a way to negotiate rights of access to third-country waters, which our fleets fish in, but which currently have been negotiated through EU-wide agreements with those countries. We would also have to deal with the issue of many cases of longstanding reciprocal rights of access by our fishermen to other European countries' waters and theirs to elements of our waters. Yes, then Ms Ferrier is right that under the terms of the Scotland Act the operations of such a new regime would then largely I think fall to the devolved administration, but there would be massive uncertainty, which I fear would drag out over a period of some years to resolve that.

Q179 Chair: You are a bit responsible for this, you brought this referendum. If we are taken out—particularly if we are taken out against our will—this Conservative Government will have delivered that. To hear the Secretary of State say that there is no contingency if we are dragged out, I think the people of Scotland will find that absolutely appalling. Most of the legislation, as you will know, Secretary of State, as a former Member of the Scottish Parliament, is proofed by the EU. It is subjected to EU law. Are you saying that there is nothing planned if Scotland is taken out of the European Union?

David Mundell: I am surprised, Mr Wishart, given that the SNP did play quite a significant part in the various debates on the EU, that you had not heard that stated before, because that is clearly the position. The position is we, the UK Government, are arguing for Scotland and Britain—

Chair: No contingency whatsoever.

David Mundell: —to remain in. Mr Lidington has made it clear that, in a vast number of areas, everything would have to be then subject to negotiation. I think that you and your colleagues, for example, would want to echo the points that Mr Lidington made in the complexities of fishing post-EU, because when I was in Aberdeen for the “Question Time” programme, there was a large number of people in that audience who were from the fishing communities who were wanting to vote to leave the EU, because they believed that it would make this change, but clearly it would not.

Chair: I am grateful to both of you, this could have gone on for another half hour and I think we have all enjoyed this session. As I said, I think we need to see more of the Minister with that positive case there. Unless any colleagues have absolutely pressing questions, we are going to have to get set up for the Scottish Government. We are very, very grateful for both of you coming along and answering these questions so fully. Sorry to colleagues if they did not get around to asking anything further, because we could have gone on but we are trying to cram as much as possible in, but thank you both very much.

Sitting suspended.

On resuming—

Examination of Witness

Witness: **Alasdair Allan**, MSP, Minister of International Development, gave evidence.

[This evidence was taken by video conference]

Q180 Chair: Can you hear us?

Alasdair Allan: I can, yes.

Q181 Chair: Gosh. It all works. We cannot believe this. The minute we dialled through we got through to you. It is incredible. So much for the technology. Minister, we know you are under real pressure because there is a big debate going on in Parliament and we understand that there may be a vote at 3.50 pm, so we are going to crack on if that is okay. We are very, very grateful to you for attending this session today, particularly with the challenging technology we have in front of us, but hopefully this will work and we will be able to get a few questions to you, if that is all right. Are you able to see perfectly well, because we can see you?

Alasdair Allan: Yes, delighted to be here. Yes, fire away.

Q182 Chair: Thank you. We know that the Scottish Government does favour a Remain position, for the UK to stay within the European Union. Can you tell us briefly why the Scottish Government favour this position? Also, in replying to this, are there any distinctive issues that you identify that are peculiarly Scottish when it comes to this referendum?

Alasdair Allan: You are right to say that the Scottish Government does favour a Remain position. We favour that for lots of reasons, many of them economic. Some of the arguments will be familiar to you and your Committee but, from Scotland's point of view, 300,000 jobs depend on our relationship with the European Union; we had more than £12 billion-worth of exports going to the European Union last year. But it is much bigger and wider than that. There are the social issues. There are rights for workers that are there largely because of Europe, the rights that we have in Europe to things like maternity leave as well. So we see it as part of a much bigger package. It is partly economic but obviously we see rights that are hard-fought for being protected by Europe too.

Q183 Chair: Are there any particular concerns that you have if the UK does indeed vote to leave the European Union? What would be the practical implications and difficulties for the Scottish Government?

Alasdair Allan: There would certainly be practical difficulties. You asked for distinctive things about Scotland. One of the distinctive things about Scotland of course is the importance of our rural economy, and the role that Europe plays to ensure support for agriculture, for instance, is something that would certainly be missed.

From my point view, one of the things that is very striking about the Leave campaign is that there is very little real explanation as to what, if anything, might replace what Europe provides in terms of support for agriculture. That would be one example. Then of course there is the fascinating question, to put it mildly: what happens if Scotland is taken out of the European Union without the consent that was expressed in the referendum by the people?

Q184 Chair: We did put that to the UK Government Ministers. You probably did not get an opportunity to hear the responses to that. We have consistently tried to get UK Ministers to explain to the Scottish people, if they are taken out of the European Union against the national collective will, what would be the message, say, and do they recognise this as being a constitutional issue. We have not had that back from UK Governments. What would your concerns be if this were to happen?

Alasdair Allan: Well, for instance, in the course of the independence referendum one of the big themes was the danger that we might end up having to leave the European Union. Of course, ironically, we now find ourselves in the position where, to my disappointment, Scotland did not vote for independence and we face the danger, not only of coming out of the European Union but—if the polls are to be believed—the potential for pulling out of the European Union against our own voted intentions. That in itself raises huge questions about the seriousness with which UK Governments in the past have made claims about Scotland being a valued member of the family; that our views matter. My concern on that point would be that, if we reached that scenario, then it would not really indicate that our views were being taken cognisance of.

All of that said the Scottish Government's intention now, over the next four weeks, is to focus on the matter at hand. That is to ensure that the Remain side prevails, not only because we think it is in Scotland's interests but because—without telling anyone in England how to vote—we think it is in the interests of people throughout the UK too.

Chair: I am grateful, Minister. Christopher Chope.

Q185 Mr Christopher Chope: Good afternoon. Can I say that we had the opportunity earlier today to hear from the Agriculture and Fisheries Minister from the United Kingdom, but the Government will not allow that Minister to give evidence because the Minister takes the view that the United Kingdom, and indeed Scotland, will be better off if we left the European Union. That is one of the problems that the Government is creating for those of us who wish to leave the European Union.

But can I ask you this? You very much favour self-determination for the Scottish people, the Scottish Parliament and Scottish democracy. Why is it you don't, therefore, support the idea of the Scots being able to take control over their own fishing grounds and their own agriculture policy, which would be two of the major benefits to Scotland of leaving the European Union?

Alasdair Allan: I think there is a curious position that Members of one Government can produce such dramatically different views, but it is not for me to offer any comment beyond that.

In terms of the point you make about autonomy and independence, I can only point to the 28 members of the EU. I can only point to Denmark or Ireland—or I can choose bigger examples if you want—and contrast their situation with the situation of Scotland. By anybody's definition, I would have thought, these are independent countries in the way that Scotland simply isn't. The practical solution to the Scottish Government is ultimately to be a member state of the European Union. It involves an enormous increase in autonomy for Scotland. I think these are the questions that will not be on our paper. The question on our paper now is: do we want to be in the European Union? The Scottish Government will make a very positive case for that.

In terms of fishing specifically, since you raise it, I think it is important to say that Britain—whatever happens and whatever circumstances it finds itself in—will still have to negotiate some kind settlement with the European Union on fishing, for the simple reason that fish don't respect international boundaries. The weakness I would feel in the position of being outside the EU at that point is that, in trying to renegotiate those positions, we would not have the rights that we would have as a member state. I don't accept the argument about the economy and I don't accept the argument about fish.

Q186 Mr Christopher Chope: Surely, as a Minister in the Scottish Government, you are not so lacking in self-confidence to believe that you would not be able to negotiate a really good deal for fishing and agriculture in Scotland on behalf of the Scottish Government and the Scottish people? Surely you would be able to deliver that?

Alasdair Allan: I think it would be a great deal easier to negotiate such settlements from within the European Union, rather than from a position of having no say in the Commission, no say in the Council of Ministers. I think that most countries around Europe would agree with that position.

The other point to be made about fish, of course, is that two-thirds of the exports of our fish go to the EU, so there is a question of who your market is. While the important issues are—and you have raised them—about negotiation of fish stocks, we have to remember in Scotland as well that there is a huge benefit to being part of a single market when two-thirds of our fish exports are going to the European Union.

Q187 Mr Christopher Chope: Why, in that case, do you think that Iceland and Norway, both of which have significant fishing industries, don't wish to join the European Union? They are very happy looking after their own fish outside the European Union.

Alasdair Allan: Much as I am a big fan of Norway and regularly praise Norway, I think people in Norway are very aware of the fact that, although they are not members of the European Union, they do have to pay large sums of money every year to Europe and they do have to abide by the vast majority of regulations that come out of Europe. The difference is they don't have any say over how that money is spent or how those regulations are made. I cannot offer Norway advice but it is not a situation I would choose for this country.

Chair: Thank you. I know we have limited time so thank you for those answers, Minister.

Q188 Margaret Ferrier: I want to welcome you to your position as Minister, first of all. Congratulations.

Chair: Yes, we should have said that, initially. Congratulations, Minister.

Alasdair Allan: Thank you.

Margaret Ferrier: Just a question about the funding at the moment, because in the event of a Brexit the money that we currently receive via the EU is a greater level per head of population than it is in England. My question is: if it reverts back to the UK, we are out of Europe and the Treasury is in control of the money. What guarantee do we have that those funds would be distributed fairly to the regions, the devolved administrations?

Alasdair Allan: As far as I can see, we simply don't have that guarantee. One of the things that have been noticeable about this debate is that there has been very little said, by way of detail, about how those who advocate exit from the EU would renegotiate the UK's relationship with Europe and, indeed, if they did that, how they would then spend or constitute the funds that would have to be replaced. For instance, in the course of the independence referendum in Scotland a couple of years ago, quite rightly, there was great pressure on the Scottish Government to put together a detailed case explaining how the scenario of independence would be managed; how that would be done economically and how that would be done constitutionally. It is very noticeable that issues like the one that you have raised are not clearly explained in this debate by those advocating exit, and there is a poverty of information from them about the very point you made.

Q189 Margaret Ferrier: Thank you, Minister. We heard earlier from the Secretary of State for Scotland that the UK Government have no contingency plans, whatsoever, in the event of a Brexit. That surprised the Committee very much. What are your thoughts on that?

Alasdair Allan: Again, I cannot speak for the UK Government. I do know that the Scottish Government are following very much and advocating very strongly in favour of the positive arguments for remaining inside the EU. We don't make our plans on the basis of the UK leaving Europe. We argue for the UK to stay, and we do believe that both Scotland and the UK benefit from that.

Q190 Chris Law: The Scottish Government have expressed mixed feelings about the deal that was done by the Prime Minister on reforming the UK's relationship with the EU. I want to know what ones you agree with and what other ones you perhaps have reservations about.

Alasdair Allan: Certainly, the deal that has been agreed has caused some surprise in Brussels I think. The first thing I did when I became Minister was to go to Brussels. I think there is a feeling of surprise around Brussels that, having gone to a great effort to renegotiate many aspects of the UK's relationship with the EU, the next thing we are talking about is leaving essentially. I think welfare is one of the most difficult issues that there would be—for instance, how we could find ourselves in a position where we could be discriminating against EU nationals. There would also be aspects of economic governance that would all be big issues in the event of the UK leaving the EU.

Q191 Chris Law: Was the Scottish Government involved in these negotiations with the Prime Minister or were they excluded?

Alasdair Allan: I think we were told about the results, but I don't think it would be fair to say that the Scottish Government featured tremendously highly in the thoughts and priorities of the UK Government.

Q192 Kirsty Blackman: A follow up from that one. In terms of the relationship between the Scottish Government and our ability to have influence in the EU, do you think that moves are being made to improve that? David Mundell said previously there was a protocol being drawn up in order to ensure that there was more of a Scottish voice heard at an EU level. Do you think that is improving and, if not, can you see it improving in the future?

Alasdair Allan: I did not hear the Secretary of State's comments there now. Obviously I would welcome anything that would show that Scotland was being given more consideration when it came to the way it was represented in Europe. I think one of the first tests of that would be the UK's presidency in Europe. There are lots of things that could be done if the UK Government put their mind to it. For instance, I mentioned fishing before. Having somebody from the Scottish Government to chair fisheries' meetings would be an interesting way of evidencing and proving that there was a better relationship. Certainly at this end we are working on that. We feel that, for instance, a consultation on EU policy by the Scottish Government is a good way through that. But we need the UK Government to show, in practical terms during the UK's presidency in Europe, that they are willing to give Scotland that better and bigger role.

Q193 Chair: Minister, I think you said in response to Mr Chope that there did not seem to be a prospectus on offer for any sort of Brexit, and of course you and I are familiar with the independence referendum where there was a very substantial White Paper that tried to answer practically every question about the possibility of an independent Scotland. It seems the Prime

Minister has done that work on behalf of the Remain campaign. I think we have three versions or varieties of Brexit around. I want to ask you how each of them might suit Scotland. One seems to be the Norway/Switzerland example, where we remain in the EEA but outwith the European Union. The second is the bilateral arrangement and agreement, the one that is referred to as the Canada model, where we renegotiate an arrangement with the EU. Another is ordinary WTO membership. What impact would any of them have on Scotland's ability to trade with what, therefore, would be our former partners in the EU?

Alasdair Allan: The example of Switzerland, for instance, is of a country that has had to negotiate bilateral deals on issue after issue. I think they dealt with hundreds of issues to try to reach any accommodation between themselves and the EU. That is a matter for Switzerland but, again, it is not really a situation that we in Scotland would choose to find ourselves in. If we were left in a WTO situation then, obviously, we would have no formalised relationship with the single market.

I mentioned that if we found ourselves in the situation of Norway—and it is the same for the UK—we would find ourselves paying into a system over which we had no direct influence. One of things that you were looking at is the benefits that people in the UK get from free movement of goods and free movement of people. I think that certainly, if you went down the route of a WTO option, you would be losing that. You would certainly be risking that, without paying large sums of money, if you went down either the Swiss or the Norwegian routes.

Q194 Chair: There is another practical problem, too—and maybe you could talk a bit about this—that if we did leave the European Union so much of Scottish legislation and laws that are passed are reliant and dependent upon European law. I can think of the European Convention on Human Rights, which is enshrined in most legislation that is passed in the Scottish Parliament. Have you any thoughts about how all that would be untangled and, if we were to leave the European Union, where this would leave Scottish legislation and law?

Alasdair Allan: I have to answer that by saying that we certainly have not been told the answers to these things by those who are proposing the UK exit. As I say, I would be glad to have a positive case but you are quite right to be asking questions about what happens in that scenario. For instance, the human rights area would be extremely complex to disentangle. I also think there would be concern across the political spectrum in Scotland with some of the talk there is in the news away from existing European understandings of the human rights to a British Bill of Rights. That is of concern. Human rights are very central, for instance, to the Scotland Act of 1998, which we established as Parliament. I think that these are some of the reasons why—all of the implications around the principle of European membership—there is likely to be a very, very substantial vote by Parliament in favour of Scotland continuing to enjoy the benefits of being in the Union.

Q195 Chair: Is there any frustration in the Scottish Government that it seems to be a Conservative Government that have taken us possibly to the brink of Scotland being pulled out of the European Union, possibly against their national collective will? We heard from the Secretary of State that, if this eventuality were to happen, there is absolutely no provision or contingency for that. I don't know if you have any particular views on that.

I hear a bell in the background, which I suspect means that you are going to have to leave and go down and do whatever is next.

Alasdair Allan: That is the bell I am afraid.

Chair: If you cannot answer that quickly—

Alasdair Allan: There are of course many people with differing views in Scotland, but it is noticeable that all the parties that have aligned increasingly to the new Scottish Parliament are parties that do have a ticket of remaining within the Union.

Chair: Great. Minister, we are very grateful for your time. I know it has been a short session but it has been very helpful to this Committee. Good luck with your voting and we will see you soon.