



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Thursday 3 April 2014

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE
9th Meeting 2014, Session 4

CONVENER

*Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP)

DEPUTY CONVENER

*Hanzala Malik (Glasgow) (Lab)

COMMITTEE MEMBERS

*Clare Adamson (Central Scotland) (SNP)

*Roderick Campbell (North East Fife) (SNP)

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

*Jamie McGrigor (Highlands and Islands) (Con)

*Alex Rowley (Cowdenbeath) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Fiona Hyslop (Cabinet Secretary for Culture and External Affairs)

Colin Imrie (Scottish Government)

CLERK TO THE COMMITTEE

Katy Orr

LOCATION

Committee Room 2

Scottish Parliament

European and External Relations Committee

Thursday 3 April 2014

[The Convener *opened the meeting at 09:02*]

Decision on Taking Business in Private

The Convener (Christina McKelvie): Good morning and welcome to the ninth meeting in 2014 of the European and External Relations Committee. As usual, I request that mobile phones be switched off. We have no apologies; everyone is present and correct.

Agenda item 1 is a decision on whether to take items 4 and 5 in private. Do members agree to do so?

Jamie McGrigor (Highlands and Islands) (Con): Since the correspondence referred to under item 4 is in the public domain, is it necessary to take that item in private?

The Convener: The usual procedure is to take correspondence in private to allow members to have a frank and open discussion. The correspondence does not answer any of the questions that we would—

Jamie McGrigor: Can we not have a frank and open discussion in public?

The Convener: The usual procedure is to take any correspondence in private. We followed that procedure with the correspondence from the Deputy First Minister.

Jamie McGrigor: Okay. I was just making a point.

Hanzala Malik (Glasgow) (Lab): Although I was not at the previous meeting at which it was agreed to take item 6 in today's meeting in private, I emphasise the fact that we are taking that item in private as well.

The Convener: Absolutely. We are following usual procedure. Do members agree to take items 4, 5 and 6 in private?

Members *indicated agreement.*

The Convener: Thank you very much.

Independence: European Union Membership Inquiry

09:03

The Convener: Agenda item 2, which is the continuation of our inquiry, is the main item. We are looking at the Scottish Government's proposals for an independent Scotland in the European Union.

We will hear from the Cabinet Secretary for Culture and External Affairs, Fiona Hyslop, whom I welcome to the meeting. She has two of her officials with her: Russell Bain, who is the external affairs policy manager, and Colin Imrie, who is the deputy director and head of European and United Kingdom relations. Do you have a brief opening statement, cabinet secretary? We will go straight to questions after that.

The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop): I will be brief. I am grateful to the committee for giving me the opportunity to be here, and I look forward to answering your questions. I also thank you for accommodating me time-wise because I must depart for the airport to go on Government business.

I thank the committee for conducting a very thorough inquiry. The quality of the contributions has meant that it has produced a wealth of valuable and informative material that might otherwise have been lost in the overall debate about Scotland's place and role in the European Union.

When the Deputy First Minister gave evidence at the start of the inquiry process, she highlighted the opportunity presented by independence to put Scotland's interests first at all times. She noted the ability that an independent Scotland would have to participate in the international community and highlighted the importance of the European Union as a key international institution.

The committee's inquiry has demonstrated the consensus that has grown up around the concepts that are set out in "Scotland's Future: Your Guide to an Independent Scotland", that is, that an independent Scotland would become a member of the EU and that practical solutions would be needed to avoid the absurd situation of Scotland being outside the union—Sir David Edward used the word "absurd" when he gave evidence to the committee.

Expert witnesses have appeared before the committee and dismantled some of the more extreme positions that have been taken by people who oppose independence and the content of the white paper. Those who have sought to portray

the route to membership as difficult if not impossible have been shown to be scaremongering.

The Scottish Government has noted the inquiry's focus on issues to do with the terms of membership for an independent Scotland, such as the euro, Schengen and the UK rebate. My assessment of discussions in that regard is that the commonsense view that the Scottish Government has put forward is recognised as a practical and pragmatic way to address the issues.

When the committee looked at the opportunities and challenges that are associated with independent membership of the EU for a country the size of Scotland, it heard about Ireland's positive experience, which chimes with the vision that the Government has set out in "Scotland's Future" and in our paper, "Scotland in the European Union".

The committee is aware that this Government is committed to strengthening Scotland's voice in Europe and ensuring that Scotland's interests are fully represented at European level, while making it clear to the rest of Europe the wealth of experience and resources that Scotland has to offer as a nation.

We have made it clear that there is a need for reform of the EU. In February, we set out priorities for reform, which include putting greater weight on collective policy and funding when binding EU legislation might not be the most appropriate or effective way of addressing an issue, and ensuring that there is greater adherence to the principles of subsidiarity and proportionality in developing EU legislation. I know that the committee has taken a keen interest in that aspect.

We would like to see greater use of directives rather than regulations when the comprehensive harmonisation of the laws of member states is not absolutely necessary. We would also welcome enhanced consultation on proposals for legislation, with more detailed impact assessments being conducted, including at the stages of the process at which significant amendments to legislative proposals are made.

That demonstrates our commitment and our readiness to engage with the EU as a full independent member. The committee's inquiry has heard that countries the size of Scotland thrive in the EU and are well placed to make valuable contributions to its future.

Following a vote for independence in September, this Government will work constructively with the UK Government, as is set out in the Edinburgh agreement, and activity will include the work that is necessary to ensure Scotland's continuing membership of the EU.

This Government remains firmly of the view that the biggest threat to Scotland's membership of the European Union is the Prime Minister's proposed in/out referendum, which is scheduled for 2017. We hope that the rest of the UK would choose to stay in the EU, were it ever faced with that choice.

We consider that the new relationship between an independent Scotland and the UK would mean that together we could form a strong partnership for action when our interests in Europe coincided. However, when Scottish interests differed from those of the rest of the UK, we would be free to make our own choices and pursue our own goals, which is important.

Such an approach, pursued in the EU and the wider international community, will put us in a stronger position than we could ever achieve under the current devolution settlement. We would work together with two strong voices when that was the correct decision for Scotland, and we would be able to take a different path when that was right for the pursuit of Scottish interests and values.

I do not want to say anything further by way of introduction. I am sure that members have a wide range of questions. I thank you for the opportunity to make my remarks, and I am happy to answer questions.

The Convener: Thank you. A key theme that emerged during the inquiry is the possibility of a hiatus between 2014 and 2016. There is concern about whether we would be in or out during that period. Another key concern is the impact of such a hiatus on EU citizens who live, work and study in Scotland and Scottish citizens who live, work or study in Europe. Will you give us your thoughts on that?

Fiona Hyslop: It is in everyone's interests to ensure that we have as smooth a transition as possible. That is in the interests of not just Scotland but the rest of the UK and our friends in the rest of the European Union.

At the point of a vote for independence, on 19 September Scotland will still be part of the United Kingdom and will continue to be so until the date of legal independence, which would be 24 March 2016.

That provides an important period for the transition to be rolled out and to initiate the negotiations with the UK and other partners. As a number of your witnesses have acknowledged, that is a reasonable timescale in which to achieve it. It also makes sense to ensure a smooth transition, which is in everybody's interests—that is the important point.

Campaigns will be taking place, but the responsibility of the Government and the

committee is to think through the practicalities and the commonsense, practical solutions to what would be required during the transition period.

Although Governments in campaign mode will be vociferous in setting out their points—I realise that the UK Government will do that and, indeed, the Scottish Government will do likewise—it is everyone's responsibility to set out the process and procedures. That is what we have done in chapter 6 of "Scotland's Future" and in the accompanying paper "Scotland in the European Union", in which I know the committee will be interested.

There is no need for hiatus. Actually, what we set out is the reverse of that: a smooth transition period, which would start with discussions beginning on 19 September and be implemented by March 2016.

The Convener: Do the concern about a hiatus and some of the concerns that we have heard from business and other bodies mean that it would be incumbent on whoever forms the UK Government at the time to start the negotiations immediately?

Fiona Hyslop: I agree with the evidence that Sir David Edward gave. He is a former judge of the European Court of Justice, and it was interesting that in February European Commission vice-president Viviane Reding described him as a true architect of the European Union. I understand the point that he made when he said:

"The simple fact is that there will be a gap between a vote for independence and the moment of separation. My point is that, during that period, there will be an obligation to negotiate a solution that does not lead to the absurd result that is being suggested."—[*Official Report, European and External Relations Committee*, 23 January 2014; c 1692.]

That obligation is not only for the United Kingdom, as Sir David Edward sets out, but for other member states. What does that mean? It means that they have an obligation to Scots as citizens of the European Union from 19 September 2014 until March 2016. What is the obligation? It is to ensure a smooth transition and to act in the interest of the Scottish people as European citizens during the transition period.

That is an important point. It also reflects the Edinburgh agreement—you have heard evidence about the importance of that agreement—particularly paragraph 30, in which the United Kingdom Government and the Scottish Government state that, after the result of the referendum, both Governments will work in the interests of the Scottish people. That does not mean starting in March 2016; it means starting this year, on 19 September, should there be a yes vote.

Roderick Campbell (North East Fife) (SNP):

You read the quotation from Sir David Edward. I put it to Alistair Carmichael last week, but he seemed to dodge issues about what would happen after a yes vote in September. When I said that there would surely be some negotiations, he said that, first, there would need to be

"bilateral negotiation between Scotland and the rest of the UK before anything could be done with regard to the European Union."

Then, although he accepted that David Cameron had indicated that he would support Scotland's membership of the European Union, he said that that would be on the basis of Cameron

"being Prime Minister of a United Kingdom that would not include Scotland"—[*Official Report, European and External Relations Committee*, 20 March 2014; c 1908-1909.]

and, therefore, he would not be in a position to influence him.

Alistair Carmichael rather glossed over any question of participation in negotiations. Will you comment on that?

Fiona Hyslop: I am sure that Alistair Carmichael can speak for himself. However, David Cameron's point that he would support Scotland's membership of the European Union is important and reflects the Edinburgh agreement.

Although a large number of people in Scotland—Jamie McGrigor perhaps aside—do not want David Cameron to be Prime Minister, he will be the Prime Minister of the United Kingdom, including Scotland, until the date of Scottish independence, so his responsibility and obligations at that time under the Edinburgh agreement and more generally will extend to the interests of the Scottish people.

It is an important point that people have to act responsibly. We should remember whose interest that is in as well: it is in the economic, social and political interest of everyone—not just Scotland but our trading partners elsewhere—to ensure a smooth transition. It is important to make that point.

09:15

The transition period of 18 months must be emphasised, as some people are understandably still unaware that that differentiation exists. From Alistair Carmichael's comments on that period, I suspect that he would prefer to take a position in which nothing happens until March 2016. The UK Government is arguing that Scotland would not be a successor state. Quite clearly, we think that it would be, as would the UK. That is a point of differentiation between where we are and where the UK Government is, in terms of the legal advice.

The UK Government is being contradictory, because David Mundell has indicated in some comments that he does not respect the position of recognising the important role of Scotland in the act of union. It was interesting to read Ian Campbell's evidence to the committee, which goes through some of the fundamental constitutional questions that lie at the heart of this matter.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning, cabinet secretary. I thank my colleague Roderick Campbell for homing in on an important part of the evidence that the secretary of state gave and a question that several committee members asked him. The notion that, after a yes vote on 18 September, the UK and Mr Carmichael in particular would somehow absolve themselves of any responsibility for Scotland seemed quite astounding to me. I tried my best to press him on that several times.

I would emphasise many of the points that you have made, cabinet secretary. In terms of the legal duties and obligations, and the Edinburgh agreement, is it clear in the Scottish Government's mind that the UK will have a continuing responsibility to represent our interests until independence day in March 2016?

Fiona Hyslop: Yes.

Willie Coffey: Super.

On the issue of articles 48 and 49, right through the course of this inquiry I have asked anyone whose view tended towards article 49 to explain to me which article or clause in the Treaty on European Union demonstrates the mechanism by which Scotland would leave the EU in the period between a yes vote and independence. To date, no one has been able to explain that to me. Mr Carmichael's best attempt appears to be that Scotland's name does not appear on the treaty, so we would therefore not be part of the game during that period. It is almost as if, if our name is not on the tin, we are not in it. I find that to be an incredibly schoolboy-level analysis of the reality of the situation. You could perhaps argue that, if Scotland's name is not on the national debt either, it does not belong to Scotland. We could debate that.

What is your view on the secretary of state's contribution that Scotland would be on the outside because its name is not on the treaty?

Fiona Hyslop: As the committee acknowledges—and everyone acknowledges—the situation is unprecedented, so negotiation will have to evolve at a political level. Where there is a political will, there will be a way. The EU is a past master at dealing with unprecedented situations, which have happened on a number of occasions. It can make sure that common sense prevails and

that we have a process that makes sense for everyone, in mutual self-interest.

You made a point about what treaty provision exists for 5 million European citizens to suddenly go from being part of the EU on day 1 to not being part of the EU on day 2. Such a thing would be absurd, and there is a real question about the responsibility of the secretary of state and what he would do in that 18-month period. That is for him, not me, to answer, but he would have responsibilities for Scotland.

There are 5 million people here and there is no treaty provision for Scotland not to be part of the EU. A significant part of the debate is those 5 million citizens and what their rights as individuals are. Scotland has been a member of the EU for 40 years, and we have been applying laws in terms of the *acquis communautaire* and its chapters. On a weekly basis, this committee sees volumes of material on transpositions of European law into Scottish provision. We are very much part of the fixtures and fittings of the EU, and I do not understand the secretary of state's arguments as to how that would not continue to be the case because our name is not on the tin. We are citizens as individuals, which is important.

I want to put on record my concerns about the secretary of state's argument in relation to the case he cited in his evidence to the committee—that of *Rottman v Bavaria*. That case formed a core of his argument as to why our citizens would suddenly not be part of the European Union. Mr Rottman was born in Austria in 1956. He acquired Austrian citizenship and became an EU citizen in January 1995, when Austria acceded to the EU. He was investigated for serious fraud and subsequently examined in a court. In February 1980, he applied for residency in Munich but concealed the judicial investigation in Austria. He subsequently brought an action for annulment against the decision to withdraw citizenship.

In the judgment that Alistair Carmichael referred to in his evidence, the court acknowledged that acquisition and loss of nationality is within the competence of the member state but also that European Union citizenship is intended to be the fundamental status of nationals of the member states. The decision to withdraw nationality was reviewable by national courts in light of EU law to check that it is justified by a reason that relates to public interest and observes the principle of proportionality. The reason given for the withdrawal of nationality from Mr Rottman—that of deception—was a valid public interest reason. It is for the domestic court to look at proportionality in each case.

Therefore, Alistair Carmichael came to the committee and used in evidence for his argument on citizenship a case that was one of deception. I

do not think that the situation of 5 million people in Scotland who are citizens of the EU should be considered in any shape or form as being on a par with the situation of that case. It was not only inappropriate but quite insulting to the people of Scotland that the Secretary of State for Scotland used in evidence a case that was dealt with on the basis of the individual's criminality.

Willie Coffey: That is quite astounding, cabinet secretary. The committee might wish to take that up and, if possible, invite Mr Carmichael back at some stage.

Fiona Hyslop: I am happy to send the details of the case to you.

Willie Coffey: Cabinet secretary, can you tell us a wee bit more about the period between 19 September and independence day? I assume that Mr Carmichael will stay in his job as secretary of state at that point—although he was a bit unsure of that himself. What will the relationship between the Scottish Government, the UK and the EU look like at that point? Will we be working directly with the United Kingdom Government and asking it on our behalf to represent our case within the European Union? Will we be there directly as partners during that period?

Fiona Hyslop: You have identified the key importance of a good and positive relationship with the rest of the UK in the period from 19 September onwards. I go back to my point that, however heated the debate will be from different political positions, it is very important that we behave in a responsible way as Governments to ensure, particularly from day 1 after the referendum, that there are productive and constructive relationships and that we all accept the importance of the legitimacy of the Scottish people in their decision. That relationship and that discussion are very important in terms of how the Governments act at that point, particularly in relation to the European Union.

At the end of the day, there is European law and there is politics. It will not be in the interests of David Cameron, who wants to see the rest of the UK stay in the European Union, to facilitate a situation in which one part of the British isles, at his instigation, is somehow not part of the European Union. It will be in his self-interest to make sure that those discussions and that agreement take place. We will expect to take a key lead in our discussions with the European Union, but we recognise the role of the UK as the member state between the period of 19 September and March 2016.

Willie Coffey: That is absolutely crucial, because Mr Carmichael does not appear to get that. We might want to send him a copy of the Edinburgh agreement. He quite clearly said to the

committee, when pressed, that the legal obligation of the United Kingdom Government is to continue to function as a United Kingdom Government. One could say that that is technically correct, but that completely ignores what we all understand to be within the spirit of the Edinburgh agreement—that it is a duty to represent Scotland as best he can during that process.

Fiona Hyslop: There will be lots of discussions and negotiations on different areas. An important thing that the committee might want to discuss is continuity of effect, as we set out in "Scotland's Future". There are a number of reasons for that. It might have been advantageous for us if we wanted to renegotiate everything, but we do not. In the interests of the smooth transition I talked about and in the interests of other countries and the rest of the UK, during the discussions in that 18-month period we will need to achieve continuity of effect.

That means that we accept the responsibilities of being a member of the EU, we accept that we have to contribute to the EU, and we accept the payments that will need to be made. Those negotiations are within the current UK position and, as other countries have acknowledged, if we can resolve internally within the British isles within that 18-month period the split in terms of responsibilities, contributions and assets, it will be easier to move forward. That makes sense from lots of different points of view, and it is what is set out in "Scotland's Future".

Jamie McGrigor: Cabinet secretary, polls suggest that in Scotland support for EU membership stands at around 53 per cent. However, recent opinion polls show that a majority of Scots—about 58 per cent—want a referendum on EU membership. I should say that I am keen for Scotland to remain a member of the EU, but do you not think, as Professor Armstrong and Patrick Layden QC think, that Scots people should get the opportunity to say that they would like to remain in the EU?

Fiona Hyslop: That is their opinion and what they would prefer as opposed to what is required, and the committee will want to look at what is required as opposed to personal preferences. In "Scotland's Future", we have clearly set out the proposition that we will put to the Scottish people in September. The Scottish National Party Government does not want a referendum on membership of the EU; we do not think that it is required because we believe that Scotland's best interests will be best served by continuing as a member of the EU. Why on earth would we have a referendum on something that we do not agree with?

If we remain as part of the UK, we will be in danger of careering towards the exit door of the EU in a way that is outwith the control of the

politicians, however much politicians such as Jamie McGrigor and David Cameron want to stay in the EU. It is the responsibility of Government to act in the best interests of its citizens, and we think that their best interests are served through continuing membership of the EU. The biggest risk to Scotland's membership of the EU would be to remain part of a union in which a party that failed to hold its deposit in Scotland somehow drove the political imperatives of the Conservatives—and, unfortunately, the Labour Party, as seems increasingly the case.

That is not the type of Scotland that I or our Government want, and I do not think that it is the type of Scotland that the Scottish people want. The proposal for a referendum on EU membership is already having an impact on our interests. When I speak to people in Europe and other parts of the world, they are concerned not about the Scottish referendum but about the referendum that David Cameron has proposed. That is not the UK Government's position, and the lead that David Cameron is setting in holding such a referendum is jeopardising the future.

Jamie McGrigor: The Prime Minister David Cameron obviously believes that giving people a choice is important, which is the case with the independence referendum in Scotland. In the past, European states have held referendums on EU membership; some of them, such as Norway and Switzerland, voted against being members, and they still seem to be there and are doing quite well.

Fiona Hyslop: But they are not in the European Union.

09:30

Jamie McGrigor: Let me just finish this point, cabinet secretary.

Having already said that I, personally, would like Scotland to remain in the European Union, I should add that, having taken quite a lot of evidence on this matter, we now know that the conditions for Scotland's membership might be rather different than they are for us as a member of the UK. Do you not think that people should be given the choice and should know under what conditions they would be joining?

Fiona Hyslop: The membership terms in relation to seats and votes will obviously form part of the discussions that we will have with Europe. As we have set out in the white paper "Scotland's Future", and considering the issues that we have addressed, we think that having continuity of effect is the best way forward.

Let us consider, for example, the European budget and Scotland's contribution to it as a

member. It would be in nobody's interest to reopen the budget negotiations, given how interminable the multi-annual financial framework negotiations have been. I also point out that it has been small, independent states that have helped to steer the final resolution of the budget, which is set from 2014 to 2020.

Coming back to Willie Coffey's point, I think that our view is that the best way forward lies in our relationship with the UK and what is agreed with the UK. We know that we would be a net contributor to the EU budget, but so is the rest of the UK. We would agree that within the United Kingdom. That is a much easier transition position, not only for Scotland but for the rest of the UK and the rest of Europe. It is a good example of where, for continuity of effect and in mutual self-interest, it makes sense for everyone to have that co-operation during the transition period from 2014 to 2016.

Jamie McGrigor: On the currency question, you have spoken about practical solutions, but I am still not quite certain whether you think that article 49, article 48 or something in between is the way that Scotland should go to remain—or become—a member of the EU. If possible, could you make that clear? Moreover, what currency will we be using in Scotland? Will we be forced to join the euro?

Fiona Hyslop: With regard to the mechanism for continuing membership of the EU, the Scottish Government's overall position is that article 48 is the way forward. The committee has taken evidence that recognises that. Article 49 is the traditional accession route—what might be called the Croatia route—for a country that has never implemented European legislation, that has not been a member for 40 years already and which does not have citizens who are currently members of the European Union. That position would be taken for a country such as Croatia, but it is not the position that we think would need to be taken for Scotland.

We agree with the evidence that the committee has received on article 48. I note, in particular, the evidence given by Graham Avery, honorary director general of the European Commission, who wrote Commission opinions on the membership applications of 14 countries and 19 negotiation frameworks. He said:

"the commonsense solution would be for Scotland's membership of the EU to be effective on the same day as its independence, and ... 5 million Scottish citizens, who have been European citizens for 40 years, should not be treated in the same way as people of non-member countries".—[*Official Report, European and External Relations Committee*, 30 January 2014; c 1731.]

That means that, as we have suggested, the article 48 provisions are the way forward. We have

set out the provisions in articles 48 and 49 on page 221 of "Scotland's Future", but we also make it clear that we think that article 48 is the appropriate way forward and that that is the provision that we support.

You asked about the terms and conditions of membership. We think that we can present a continuity of effect that is in the interests of other members, particularly the rest of the UK; for example, it would be in the interests of the rest of the UK to have a currency union, which would mean Scotland retaining the pound. I know that another committee is taking evidence on that issue just now. Indeed, within the past few days, Professor Muscatelli has pointed out the importance of the currency union to both parties. That would be our proposal.

Jamie McGrigor: So you do not think that we would have to join the euro.

Fiona Hyslop: No.

Jamie McGrigor: Even if you go down the article 49 route?

Fiona Hyslop: We would not have to join the euro for a number of reasons. Article 140 of the Treaty on the Functioning of the European Union sets out the criteria that must be satisfied by countries before they can join the euro area. For example, the inflation rate must be no more than 1.5 percentage points higher than the three members of the EU with the lowest inflation rates; the ratio of the annual government deficit relative to gross domestic product must not exceed 3 per cent; and the ratio of gross debt to GDP must be less than 60 per cent.

The issue of the exchange rate mechanism is also important. Leaving to one side the fact that Scotland would not be an applicant country in the traditional way—through article 49, or the Croatian route—I point out that, under article 140, applicant countries should have been a member of the exchange rate mechanism II for two consecutive years and should not have devalued their currency during those two years. Of course, everybody knows that membership of the exchange rate mechanism is voluntary. There is also a further point about long-term interest rates.

Therefore, even under the terms of the euro itself—the various conditions, membership of the ERM and so on—there is no reason why Scotland would ever be in a position in which we would have to accept the euro. Having a currency union with England is the commonsense position. I repeat that we would not voluntarily be part of the ERM, which countries have to have been a member of for two years before it matters whether they meet the other criteria. On that basis, the answer to your question is no.

Jamie McGrigor: I know that Sweden got around the requirements in the way that you describe—it did not join the ERM—but I understand that the Commission has since said that other countries would not be able to follow that line.

Going back to 2004, a lot of people, including Mr Barroso and Mr Prodi, have said that article 49 would have to be the route that Scotland would take, because it would become a separate country. When the convener recently wrote to Viviane Reding, vice-president of the European Commission, her reply emphatically backed up that position. She said:

"When part of the territory of a Member State ceases to be a part of that State, e.g. because that territory becomes an independent state, the treaties will no longer apply to that territory."

She continued:

"Under Article 49 of the Treaty on European Union, any European state which respects the principles set out in Article 2 of the Treaty on European Union may apply to become a member of the EU."

That is clearly what she thinks. A great deal of opinion seems to be pointing towards article 49, although you say that you can use article 48. When Scots come to vote, will they be in a clear position to know what route is going to be taken?

Fiona Hyslop: They might be, if the UK Government is co-operative and does what we have asked it to do, which is to present a position to the European Union for consideration. However, it has refused to do that. You should remember that the European Commission has no decision-making authority in this area; the Council of Ministers would determine the route that would be taken. We will be recommending article 48 as the correct route, and that position has been backed up by a large number of witnesses who have appeared before this committee.

The EU has not taken a view on Scotland because it has not been presented with a request to do so. The correspondence that you have received and the comments that have been made concern generalities; because they do not concern Scotland or our particular circumstances, I do not think that you can take from them an assumption that article 49 will apply to Scotland. That case has not been presented. Much of what you refer to in Viviane Reding's letter relates to the Croatian position, in which the country in question comes from outside the European Union, has not been a member of the EU for 40 years, does not have citizens who have been members of the EU for 40 years and has not applied great swathes of EU legislation in its own law.

There is a good point about the interests of the EU that I missed in response to Willie Coffey's

question. We should remember that Scotland has a great deal to contribute to the EU. Many European citizens live and work in Scotland; for example, the last national census indicated that more than 60,000 Poles live and work here. Continuity of effect with regard to Scotland's membership of the EU will be important to other member states as well as to us.

Both Mr Barroso and Mr Van Rompuy have made political comments for political reasons. I do not think that the role of the President of the European Commission is to reflect on the internal workings of any member state. I ask the convener and Mr McGrigor to bear with me, but I think it important that we reflect on article 2 of the Treaty on European Union, which sets out the general context within which the process of negotiating Scotland's independent EU membership will take place. It states:

"The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail."

I would expect the President of the Commission and Mr Van Rompuy to reflect on the fact that Scotland adheres to all those points. At this time, we are an excellent example of democracy. I also pay tribute to the UK Government, because we are holding an agreed, consensual referendum in which the democratic rights of Scottish people will prevail.

It is not appropriate for the European Commission to make political comments about a country's internal process. That is what President Barroso has mistakenly done, and it is important to note both the backtracking that a number of people have made since and the comments that have been made about the inappropriateness of his remarks; indeed, the committee has received evidence about their inappropriateness. Article 2 makes fundamental points about how people are treated in the European Union.

Jamie McGrigor: I understand that, but I think that President Barroso is stating only what is set out in the treaties. Anybody can read what they say. Mrs Reding is just backing up that view; actually, she is not even backing up a view but backing up what is written down.

Fiona Hyslop: Ms Reding's letter refers to what happens

"When part of the territory of a Member State ceases to be a part of that State".

We are not part of

"the territory of a Member State";

we are part of the union that established the UK—I am sorry; I should say Great Britain—in the first place. That is a different thing.

Jamie McGrigor: Okay. I will let someone else have a go.

Fiona Hyslop: Can I ask Colin Imrie to respond, convener?

The Convener: Yes.

Colin Imrie (Scottish Government): The part of Ms Reding's letter that we are discussing states:

"When part of ... a Member State ceases to be a part of that State ... the treaties will no longer apply".

The cabinet secretary's point is that after a yes vote there would be an obligation to seek to resolve Scotland's position before the date of independence.

Jamie McGrigor: There would be only 18 months.

Colin Imrie: The points that the Commission has made are purely about the process if Scotland were to become independent.

Fiona Hyslop: The evidence of those who support the position that Jamie McGrigor has outlined—I am not sure whether we can call them article 49ers—comes from the perspective that there would be a clean sheet, as if Scotland would be outside the UK from day 1. However, we would not be, because for those 18 months we would have the opportunity to deliver continuity of effect and to negotiate and deliver a route under article 48. The evidence on timescales suggests that that would be possible and doable. Ms Reding is referring to a situation in which the starting point would be the Croatian position, in which a country is, physically and otherwise, not a member of the EU to start with. Again, though, my point is that the UK has not put forward any particular position on the process.

Jamie McGrigor: The "forty-niners" are in an old American song called "Oh My Darling Clementine".

Fiona Hyslop: I knew that you would know that—well done.

The Convener: I am not going to allow you to sing it, Jamie. We are moving on to Alex Rowley.

09:45

Alex Rowley (Cowdenbeath) (Lab): Having read through the evidence—there is a lot of it—I have reached the conclusion that there are a lot of experts out there and a lot of different expert opinions. We might continue discussing the issues right up until September and, depending on the

referendum result, we might then find the answer to the question of articles 48 and 49. I accept, however, that it is in Scotland's interests to be part of Europe.

On your point, minister, that we are in a unique situation because of our starting point, I think that it will therefore be acknowledged that other countries will be looking at our situation because it could set a precedent for them, particularly for Spain. We accept that that is the case.

If we accept that we want to be, one way or another, in Europe, do you accept that those on different sides of the argument about article 48 and article 49 with regard to how we will be part of Europe nevertheless all agree that there will have to be tough negotiations? Do you accept that therefore an independent Scotland would not necessarily be able to win every argument? You, too, referred to tough negotiations and to the consequent need for compromise. If there must be compromise, would you envisage the situation being that we will not necessarily win every argument and that we might therefore not secure the same opt-outs that we have now as part of the United Kingdom?

Fiona Hyslop: I think that you have taken a considered approach to the situation, because different lawyers and experts have different views on the issue. I pay tribute to the committee, because it has taken a balanced approach and looked at the issue from different angles and perspectives. However, as you said, people will seek practical solutions after 18 September, however purist they might want to be on a particular legal theory in different contexts.

In relation to Scotland being a precedent, I said that the process would be a unique one in many ways. However, I think that there is an important point in relation to Spain in particular. People have assumed that people from different countries have said particular things, when in fact they have not. I make it quite clear that no country has said that it would use a veto in the process. The Spanish Minister for Foreign Affairs and Co-operation, José Manuel García-Margallo, confirmed in the *Financial Times* on 2 February 2014, which was fairly recently, that Scotland and Catalonia are “fundamentally different” and that Spain had no intention of interfering with regard to Scotland. He said:

“We don't interfere in other countries' internal affairs. If Britain's constitutional order allows—and it seems that it does allow—Scotland to choose independence, we have nothing to say about this.”

Again, that comes back to our distinct process. We are distinct not only because we already have European citizenship and 40 years' membership but because we have a consented referendum. I think that it is recognised internationally that the

co-operation in the Edinburgh agreement between the United Kingdom and the Scottish Government is a very important part of the process. Given the process that we have undertaken, I am not sure that people would necessarily say that we would be a precedent for other countries. Because we are in quite a unique situation, we expect that there will have to be discussions about the route to being part of Europe.

We recognise the role of other European countries in the process. What we set out with regard to article 48 recognises the importance of their role. It comes back to the issue of the mutual self-interest of Scotland, the rest of the UK and other countries. You asked whether the negotiations would be tough, and you will recognise that all negotiating processes have different characteristics. Many European countries are facing big crises on issues such as the eurozone, unemployment and economic growth. If we can present them with a smooth transition, much of which has been agreed internally between the rest of the United Kingdom and Scotland during that 18-month period, that will be to their benefit as well.

If we were negotiating every single point, your point would be well made, whether you were talking about our contribution or about unpicking all the different parts of European membership, but we are not doing that. That is why we have the idea of continuity of effect—that we would inherit the position that the UK has and would make our contributions on that basis. For example, not reopening the budget would be in everybody's interests.

Alex Rowley: Do you accept that, if Scotland became an independent state, and therefore a new state within Europe, the other 28 states would have to sign up to that, and that there would therefore have to be negotiations, or are you saying that they would just accept everything that was put forward and that there would be no need for compromise? Are you saying that everything that is in place now for the UK would be in place, and that the other 28 states would just sign up to that?

Fiona Hyslop: In relation to article 48, we recognise that there would be a role for the other 28 members, but presenting that continuity of effect in terms of the provision means that we are a net contributor, so it is in the interests of other countries to take advantage of that. The risk to them of not having Scotland is a big one.

Let us take fishing as an example of an area in which their investments and self-interest are important in relation to where we are, because their interests are extensive. Scotland's fishing zone makes up 61 per cent of the entire UK zone and has an industry that holds approximately 70

per cent of all the UK quota of key stocks and a fleet accounting for 60 per cent of tonnage. We also have a huge amount of the financial interests of other countries in Scotland, in terms of what is taken out of Scotland's waters.

We are not suggesting that there should be a hiatus. In fact, we think that it is in everybody's interests that there is not one, and it is in the interests of other countries for there not to be a hiatus, because in negotiations on fishing zones—not just for Scottish waters but for Norwegian waters—there is a big self-interest in the fishing fleets of other countries continuing to have uninterrupted access to our waters. There is therefore an imperative for a timescale.

As a leader of a council, Alex Rowley has been involved in various negotiations at different times, so he understands the risks to everybody on all sides. There will be an imperative for European countries to resolve any issues, and extended negotiations for self-interests on one issue would prevent that.

Alex Rowley: I am trying to get to the implications of Scotland becoming an independent state for its negotiations in Europe. For example, with a practical approach to Schengen, it would seem mad that we could end up having no border controls with the rest of Europe but have to put up border controls with England.

Fiona Hyslop: Nobody believes that.

Alex Rowley: Nobody seriously thinks that that might happen within the UK, although it would have to be negotiated. The current financial arrangements with the UK and the UK rebate would have to be negotiated. Do you believe that, during those negotiations, we as an independent state will simply get agreement on everything and be there on the same terms as those on which the UK is currently there, or do you believe that there will have to be compromise?

Fiona Hyslop: I do not believe that there needs to be compromise, because it will be in everybody's self-interest that we have the same terms. Why would that be the case? The budget negotiations have now been settled, and by 2016 approximately 85 per cent of the funding arrangements—I will correct that if it is wrong—will have been negotiated and agreed and will be in place. The committee will have spent a lot of time on that and on structural funds and the common agricultural policy. Why would we want to disrupt that?

We know that we have been given a poor deal on the CAP. The Scottish Parliament has said collectively, across parties, that Scotland will have the lowest rate per hectare of any European country, which is problematic. Were we to reopen absolutely everything, there would be changes at

that point and we might want to negotiate separately on the issue. However, we are saying that it is in everyone's interests that we do not try to renegotiate the whole multiannual financial framework, of which structural funds and CAP are a huge element.

Alex Rowley: Are you saying that we will be in Europe as a member with exactly the same terms and conditions as we currently have as part of the UK?

Fiona Hyslop: We think that that will be in the interests of not just Scotland but the rest of the UK and the rest of Europe. It is in everyone's interests to ensure that agreement is in place on continuity of membership at the point of independence.

We talked about Schengen. We can accept the principles of Schengen but, as you set out well, as long as the rest of the UK and Ireland are not part of Schengen, the common travel area is the appropriate way forward. That is common sense and would be practical. We are not objecting to the principles behind what the rest of Europe is trying to do in the context of Schengen, but the approach is not appropriate for us at this time. We acknowledge that.

Alex Rowley: You mentioned the Labour Party's position on a referendum. My understanding of the position—

Fiona Hyslop: Maybe you can enlighten us. That would be helpful.

Alex Rowley: My understanding is that there would be a referendum if more powers were to go from Britain to Europe. Let me put this to you: if Edinburgh took powers from London, as it were, or from the UK, and an independent Scotland was going to transfer powers to Europe, would the Scottish people be entitled to a say on which powers should remain in Scotland and which should transfer to Europe?

Fiona Hyslop: I think that I see where you are trying to go with that. There are different elements to the issue. In relation to membership, there has been no situation in which there has been a requirement for a referendum on another country's membership of the European Union.

In relation to continuity, Jim Currie, a former European Commission director general for environment told the committee:

"I do not think that others would see the necessity for everything to change overnight, in terms of the opt-outs that the UK currently has—not at all."—[*Official Report, European and External Relations Committee*, 20 February 2014; c 1815.]

That is evidence that you took from someone who has been at the heart of the Commission.

In relation to the balance of power, subsidiarity and other elements to do with the relationship between the European Union and Scotland as a member state, we think that reform and improvement are needed. Where we disagree with the UK is on whether that would require treaty change.

If there is to be a flow of powers, I think that everyone—I talk to other European Governments—thinks that it will be the other way round. The UK Government is trying to make that a key part of its argument for an in/out referendum, but reform is on everyone's agenda. Even Scotland has produced a paper on priorities for reform, as part of our constructive and progressive approach to the matter. The difference is that we do not think that the improvements that we are suggesting would require treaty change—that is the point about whether a referendum would be required. In some countries, treaty change would require a referendum on transfer of powers, but we do not think that what would happen in the UK would be in that territory.

I am sure that, at some point, the committee will look at the balance-of-competencies review that the UK Government is leading. We have looked closely at what has been produced to date. Remember that the review will be the basis of what David Cameron will say. He wants to negotiate new treaties or a new package, but we do not think that there is anything in the first semesters of the review that would require a new treaty. It can all be done within amendments to existing treaties.

Many argue that a requirement for a new treaty would be the trigger for a referendum. That is the case that David Cameron is making and he is probably failing on that to date. I am not saying whether the next semesters of the competencies review will find something that would require such change, but I have asked the question and, to date, the review has not done that.

10:00

Alex Rowley: The point that I am making is not so much about David Cameron. I believe that, if he gets back in, the case will be made and there will be a vote to stay in Europe.

You mentioned the evidence given by Jim Currie, which is where I am trying to get to. People in Scotland who are considering the issue right now are asking whether, if they vote yes and Scotland becomes independent, we would have a different relationship with Europe and what that would mean. In his evidence, Jim Currie stated clearly:

“an independent Scotland's membership would not simply involve a seamless move into the EU. Tough

negotiations would revolve around a number of things and specifically the opt-outs that the UK has—the Schengen opt-out, the budget abatement and the opt-out from justice and security measures. I think that there will be tough negotiations”—[*Official Report, European and External Relations Committee*, 20 February 2014; c 1811.]

but your response to the questions that I have asked seems to be that, although there may well be tough negotiations, at the end of the day, we will continue with those opt-outs.

Fiona Hyslop: We can and we should. The case that we present in “Scotland's Future” is that the overall continuity of effect, some of the elements of which you have just described, is in everybody's interests. It would not be in anybody's interest to do a case-by-case negotiation on every different issue—the budget, the structural funds, CAP and you name it—so I do not think that we will be in that place. You have enough evidence from us and what has been set out in the papers on the route forward.

The European Union has been built on finding political routes to solutions. A country that is co-operative and positive about its European membership is an asset to the European Union, which would want to ensure that that membership continued. That would be in its interest.

I will be interested in how the committee uses all the different evidence that you have come across, because you have got into some of the key issues—I recognise that—but it is in our mutual interest to have continuity of effect. That is why we have set that out. However, it is important to ask what the negotiations might look like. The responsible attitude of both Governments on 19 September should there be a yes vote is key to the matter. Whatever climate of disagreement we have in the political debate over the next period, such an attitude is really important. People will expect it of the Government and, indeed, the Parliament when they come to that position.

Clare Adamson (Central Scotland) (SNP): You have mentioned many of the issues that I wanted to raise. One witness described the idea of a hole in the European Union for any length of time as a nightmare scenario post-independence and described how difficult that would be not only for Scotland but for other European nations whose nationals and businesses are here. You mentioned that Scotland conforms to the *acquis* and would have relevant institutional, regulatory and administrative structures in place post-independence.

The Scottish Government argues continuity of effect with no detriment to other European states and that we will continue to be a net contributor to the EU. I find it quite disturbing that Mr Carmichael described that, post his evidence to the committee, as something that would be

“a difficult and protracted process”

for Scotland but, at the same time, with no indication at UK level of what the terms of the renegotiation of the relationship with the EU might be, we are expected to believe that Mr Cameron can achieve a major renegotiation of terms in a similar timescale. That is presented as reasonable, while Scotland’s position is presented as somehow untenable. Would you like to comment on that?

Fiona Hyslop: That is an interesting way of looking at the matter; I had not thought of it like that, but it is interesting to compare and contrast. Governments hold discussions and find a way forward, and that is what we expect to do.

With regard to preparation, Scotland will be one of the most prepared countries ever to be in the position of moving to independence. In addition, the transition period of 18 months thereafter will allow us to ensure that difficult areas—not only domestic but international—can be dealt with.

On Alex Rowley’s point, we are not trying to pretend that there will not be discussions and negotiations, or that we do not have a clear interest in the matter. However, if people approach the issue by seeking constructive resolution, that can be achieved—as we know, because it has happened in many other places in the past.

Graham Avery’s evidence on Finland was interesting. In that case, the negotiation timescale was approximately 12 months, and Finland was not already applying much of European law and did not already have EU citizens, so it is an interesting reference point.

Clare Adamson described the two situations as analogous, but it is important that we keep them quite separate, not least in my discussions with other Governments. I want to make it clear that an in/out referendum is the position not of the UK Government but of David Cameron, as one part of the coalition Government, on what he would do should he be re-elected as Prime Minister.

That renegotiation period would be much later than ours. We would not want to conflate in any shape or form the negotiations that David Cameron may want as part of his in/out referendum renegotiation package with our process, which would be much earlier, as it would take place between 2014 and 2016. It is in everyone’s interest to negotiate on that issue as early as possible, and we do not expect the two issues to be conflated in any way. As much as I am interested in Clare Adamson’s comparison, it will be in our interest to ensure that other countries are clear that those two processes are separate and distinct.

Clare Adamson: There is a choice of two futures for the Scottish people, and they also have two futures to consider with regard to Europe and what might happen depending on both referenda. Would a Scottish constitution post-independence include the opportunity for referenda on such issues?

Fiona Hyslop: A written constitution for Scotland would be a first, as we do not currently have one. It is interesting to hear suggestions that somehow under the current arrangement we could enshrine or protect the powers of this Parliament without a written constitution, which would be very challenging indeed.

It is important that we have a written constitution, as is the norm in most countries. We have set out in “Scotland’s Future” a number of elements that we think should be in that written constitution. However, I firmly believe that it should be written not by me, the committee or Parliament but collectively with the people of Scotland and taking account of what they want or do not want to be in it. That would include whether there would be referenda in the future on domestic or international issues.

Although we want to offer as much certainty and content as possible on what an independent Scotland would look like in a variety of areas—and different committees are scrutinising our proposals—such issues would rightly be discussed by a convention that would be brought together to shape the plans.

I think that that written constitution will be the most exciting document in the country. The interesting part is that, although we will be going into the referendum in September with the Scottish Government’s view of what should happen—and we are trying to make that view as representative as possible of the people of Scotland—that will be one of the first documents that will be done by everybody. It will be done by all of us, regardless of our political party, and that includes Alistair Carmichael and everybody else from other parties. That will be symbolic and it is important that it happens. I come back to the point that we will have our disagreements in the chamber and in debates up until 19 September, but the exciting thing will be after 19 September, when we can harness all those different legal opinions on legal routes and so on. Just think about that.

I hope that the committee has found out during its inquiry about the real talents and experience that we have in Scotland at many levels, which will help to shape the new country. I think that the first evidence of that will be the constitution, but it will be for the people of Scotland to decide what will be in it and whether it refers to a referendum, as it will be for the people of Scotland to decide which Government to elect in 2016.

Hanzala Malik: Good morning, cabinet secretary. I have been listening to you very patiently for over an hour—

Fiona Hyslop: Thank you.

Hanzala Malik: —and I have heard almost everything being re-rehearsed. You make the point that nobody said that they would veto our membership of the EU, but we have not had any guarantees from anybody that they will not. You talk about Ireland; I can give the example of Turkey. You say that article 48 would be the best way forward for our negotiations, but some people say that article 49 is the best way forward, so there is no clarity there. What have you brought to us today that is new?

Fiona Hyslop: I am here at the end of your evidence sessions. You heard from the Deputy First Minister at the beginning, and I am reflecting on the evidence that you have received. I think that it is in the interests of the committee to do that. Why do I not need to bring anything new? It is because the information on our proposals is in “Scotland’s Future”, “Scotland in the European Union” and the document that I have provided to the committee on our priorities for reform.

I am not quite sure what you are looking for, but I have provided a wealth of information to the committee over the past few weeks and last year as regards our provisions. The important thing is that the evidence is there and we have made our case and we will continue to make our case.

Hanzala Malik: That is exactly the point that I am trying to make. The evidence is not clear even today. There are still huge gaps and expectations of others. My concern is that, when we have expectations of others and they fail to deliver, it will affect me as a Scot. On opt-outs, assurances, how long it would take to negotiate entry into Europe and our currency, nothing—I repeat, nothing—has been guaranteed to us at this stage.

Fiona Hyslop: And nothing will be guaranteed with a no vote should David Cameron present an in/out referendum. Nothing can be guaranteed as to whether Scottish companies will still have the same—

Hanzala Malik: At least he is giving an option to citizens to vote on whether to be in or out of Europe.

Fiona Hyslop: You cannot have it both ways.

Hanzala Malik: The Scottish Government is not even doing that. It assumes that, if Scotland becomes independent, it would want to be part of Europe. The Government is not actually asking people and giving the people an opportunity to tell it what they would like.

Fiona Hyslop: The reality is that there is a choice of two futures facing the Scottish people. There will be certainties and uncertainties whether people vote yes or no. Increasingly, on the rest of the UK’s position on Europe, I have real concerns that the in/out referendum on membership that David Cameron has proposed is creating a situation in which we are careering towards a potential exit. I do not think that that is in anybody’s interests.

I acknowledge that David Cameron does not want us to leave the EU and nor does Jamie McGrigor, who has put his views on the record, or various others, but they have opened a door that I am not sure they will be able to close. I will reflect on the two most recent polls on EU membership that I am aware of. In November, a poll in England said that 42 per cent wanted to stay and 50 per cent wanted to leave. In February, a poll in Scotland said that 53 per cent wanted to stay and only 34 per cent wanted to leave, so there is a difference of opinion.

10:15

We do not know what a UK tax rate would be in five years’ time. We do not know whether the UK will be a member of the EU—Alistair Carmichael himself, the secretary of state, said that there is no guarantee that the UK will be a member at the end of this decade. As politicians, we know that there are certainties and uncertainties in all this. We have set out as much as we can.

Some of the things that Hanzala Malik is asking to be guaranteed could be guaranteed if the UK Government had those discussions with us now. That is what a lot of people are concerned about. It is not that we do not want to give you those guarantees; we would like to but, if the UK Government refuses to have those discussions before the referendum, we can do very little about it. That question could and should have been asked of Alistair Carmichael, as a representative of the UK Government—never mind looking at it from the co-operation point of view. I know that the UK Government wants to be tactical and does not want to be seen to be carrying out pre-negotiations. However, it could and should discuss some of the things that people expect it to. That is the problem.

Hanzala Malik: That is why I want to come on to the Edinburgh agreement. One of my colleagues has insisted that the British Government has a legal obligation to support and assist Scotland in the transfer period. My question, which I do not believe has been asked to date, is: what if the British Government decides not to support and assist us? What could we do about it?

Fiona Hyslop: The UK Government will face a Westminster election shortly after the referendum, so there is a political imperative that means it will want and need to support us. Also, mutual self-interest will kick in. The UK Government does not want to turn round, just as it is heading into a Westminster election, and say to all its business interests and employers, "By the way, because of our non-co-operation we will hike up your charges and transaction costs for doing business." It is not in the UK Government's interests to do that when it is going into a Westminster election.

There is a realpolitik check as to what will happen immediately after a yes vote. There is mutual self-interest, and we accept the Edinburgh agreement and its contents in the spirit that it was set out. It is not worth second-guessing the UK Government and saying that it will renege on the Edinburgh agreement. I do not believe that it will; I think that David Cameron signed it in good faith and in co-operation. We should remember that he has said that he would support Scotland's membership of the EU. He is on the record as saying that very recently, in an interview when he came to Scotland.

Hanzala Malik: I know that you have a flight to catch, so I will finish by saying that, although we did not get anything new from you today, the discussion was nonetheless helpful. However, there are still clear difficulties ahead, which is why it is important that we tease out what we can do from what we cannot. That is an important challenge for us, collectively. I wish all of us well in trying to do it.

Fiona Hyslop: Yes, indeed. The committee will be an important part of the process, and not just through this inquiry. Your committee will have a great deal of responsibility immediately after the vote in September, as well.

The Convener: Cabinet secretary, I know that you are pushed for time. Rod Campbell has a quick final question, but we could write to you with that if you prefer.

Fiona Hyslop: No, I am happy to answer it.

Roderick Campbell: I had a number of questions, but I will restrict them to one, as you have limited time. Hanzala Malik asked about the Edinburgh agreement, which says that there will be no pre-negotiations, but somehow or other we seem to have a position on the currency that some people might say is pre-negotiation. Will you comment on that?

Fiona Hyslop: I think that it is politics. People do not believe George Osborne's comments on the issue, because they recognise them for the bluster that they are. It comes down to mutual self-interest. The currency union will be in the mutual interest of both countries. I think the UK

Government has made a tactical mistake and blunder on that, which is unravelling as we speak. If even an unnamed UK minister does not believe what George Osborne says, why on earth should the people of Scotland? Perhaps that is for the other committee that is looking at these things to consider.

The Convener: Thank you very much, cabinet secretary. We have generally gone back to our witnesses with additional questions after they have given evidence, so I hope that you do not mind if the committee's conversation later this morning results in our asking you more questions on aspects of the inquiry. We appreciate your evidence very much. I wish you a safe trip.

I suspend the meeting briefly to allow the witnesses to leave.

10:20

Meeting suspended.

10:21

*On resuming—***“Brussels Bulletin”**

The Convener: Agenda item 3 is consideration of the latest edition of the “Brussels Bulletin”. I seek comments and questions from colleagues.

Clare Adamson: I was interested to read the “Women in science” section of the bulletin, which states:

“European Commissioner for Research, Innovation and Science, Máire Geoghegan-Quinn gave a speech to the Joint Event on Women Researchers on the role of women in science, entitled ‘from the margins to the centre’.”

That is of particular interest to the Scottish Parliament, which has discussed women in science, technology, engineering and mathematics on many occasions in the chamber. I welcome the focus at a European level.

Willie Coffey: To add a little to my colleague Clare Adamson’s comments, Máire Geoghegan-Quinn’s speech on bringing more women into science was a really positive step and we should emphasise it and try to do much more to bring women, especially youngsters, into science, particularly software engineering, which is a subject close to my heart and to Clare Adamson’s heart. I look forward to the opportunity to discuss and debate those issues in the chamber later today. It is a good, strong and positive move from Europe to recognise that the issue is of importance to us. I would like to be able to take a closer look at how it develops.

The Convener: I highlight the issue of the transatlantic trade and investment partnership. We have had some representation to the committee on that, which we might pick up in the future to see how it pans out. It is quite a detailed agreement, with far-reaching consequences, both positive and possibly not so positive for some of the EU. There is always a positive side to any partnership agreement.

That leads me on to the negotiations in the EU about banking union and the further stabilisation of regulation and the eurozone, which is something that we have always kept our eye on. I suggest that we make sure that both those issues are highlighted to the Economy, Energy and Tourism Committee for its consideration.

We will make sure that the “Brussels Bulletin” is brought to the attention of the relevant committees.

Roderick Campbell: What is happening with investigating how the bulletin is circulated within the Parliament?

The Convener: We will have a conversation about that a wee bit later.

Are we happy to proceed as suggested?

Members *indicated agreement.*

10:25

Meeting continued in private until 11:20.

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