MT/JM.

Part 1

NEW FILE COVER

CONFIDENTIAL FILING

Devolution

The question of the Government of Scotland

Attached Folder: Conference on Devolution
Letter from Mr Speaker 1920

HOME AFFAIRS

May 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
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PART ENDS

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PART 1 ends:-

N Tne to PM 29.4.92

PART 2 begins:-

BP to PM 1.5.92

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

Conference on Devolution

Letter from Mr Speaker to the Prime Minister with Appendices

HMSO Cmd 692 1920

Signed _____ Date _____

PREM Records Team

PRIME MINISTER

29th April 1992

SCOTLAND: CORRESPONDENCE FROM PROFESSOR VINCENT

You may be interested to see the attached letter from John Vincent, which puts an historical perspective on debates about the Union.

He is thinking about the future of the Union, and has, as a first suggestion, proposed that if you were pushed to it, a limited assembly could be conceded which would not have budgetary or taxation powers, but would deal with matters generally accepted as peculiarly Scottish, viz Scottish civil and criminal law matters and ecclesiastical issues.

Such an approach would obviously raise questions as to why education, another uniquely Scottish system, was not dealt with in the same way. This might, Vincent feels, be open to negotiation, although it has clear financial implications. Vincent would still leave ultimate responsibility and a power of veto with the Scottish Office and a Scottish Secretary reporting to Westminster.

Vincent also proposes a package of other measures to strengthen Unionist sentiment, while sustaining the political debate on the value of the Union.

a) use of Edinburgh and Holyrood House for State visits;

b) a presence in Scotland for the UK EC Presidency (that we are doing);

c) generosity in the creation of Scottish working peers, including representatives of the professions, which he believes have particular status in Scottish society.

d) more regular visits by senior Ministers, including those without direct responsibility in Scotland, to important Scottish centres such as Aberdeen, Inverness, Perth, Stirling, and Ayr. Ministers should be required, he feels, to fit such engagements into forward diaries, and to make Scotland a place where significant policy announcements or political statements are regularly made.

e) Positive use of Glasgow University by William Waldegrave as the forum - perhaps openly so named - for informal discussion of science policy (Vincent says that he did this effectively when at the Environment Department);

f) special efforts to help Aberdeen University, which he argues needs a good fund-raising campaign, in which Government involvement could help;

g) prominent support for the Edinburgh Festival, including residence in Edinburgh by a senior Government figure, not only the Scottish Secretary;

h) a State Opening of Parliament and staging of a debate on the Queen's speech in Edinburgh (this would obviously be difficult to accomplish [where would it be?]; it would also raise expectations of a positive programme for Scotland in the (?) 1993-4 session).

He has promised to forward other ideas, if that would be helpful.

NP

NICHOLAS TRUE

102.nt

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22 April 1992.

Dear Nicholas,

It was good of you to ring.

It led me to think: how would MR. Gladstone have sought to strengthen the Union?

He would, I think, have looked anew at the underlying principles of the Union: one government, one economy, but unqualified recognition of national differences in law and church.

This principle has worked well over the centuries. The question is whether, since the Scottish civil and criminal law is purely a matter for Scotland, and nobody has ever wished otherwise, it could be dealt with by a body of Scotsmen sitting in a Scottish city, afforced perhaps by the Scottish legal profession.

This would involve a power of legislation, in the area which specifically Scottish civil and criminal law now covers. It would not involve any budgetary or taxing or executive power. It might cover matters ecclesiastical, which are not an Englishman's business.

The volume of work would not be that large, and might even be done by existing Scottish members, without their presence at Westminster being diminished.

The responsibility would remain ultimately with Westminster and with

Scottish ministers, but one might hope that veto or differences on purely Scottish affairs, recognized as such under the Act of Union, would be few.

The risks of such a policy, in the wrong hands, are great: they always are. But we would be acting on a very strong + clear principle, that is, building on the Union of 1707 and trying to improve it.

The essential difference between Gladstone's Irish question and today's Scottish question, is that for Gladstone Home Rule meant a British government coming to terms with an Irish party which did not seek to be at odds with Westminster over British matters.

A Scottish government would be one British party in dispute with another British party, with Scotland a pawn in the game.

The job of a positive Unionism is to make some sort of specifically Scottish democratic input into those areas which the Act of Union has always regarded as a purely Scottish affair.

Travel and communications have improved much since 1707: hence both flexibility and unity within existing Unionist principles make sense. If Labour were to reject a proposal for a more democratic Unionism, we should have to appeal to a broad range of moderate Scottish opinion.

Yours ever

John

From: THE PRIVATE SECRETARY

cc PC
S/UP

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29th April 1992

Prime Minister

The paper you asked for

Stephen 30/4

Dear Stephen

STORMONT POWERS

You asked for an account of the powers which were held by Stormont prior to 1972.

I attach a short paper which explains how the Northern Ireland Government and Parliament were established and briefly sets out the powers they held. More detailed information can of course be provided if this would be helpful.

Yours

Jonathan

JONATHAN MARGETTS

GOVERNMENT OF NORTHERN IRELAND 1921 - 1972

Introduction

From June 1921 to March 1972 Northern Ireland had its own Parliament and Government within the United Kingdom. The system was derived from the Government of Ireland Act, 1920 which was designed to set up Parliaments in both parts of Ireland. In the event, Southern Ireland opted for independence, and the 1920 Act became operative only in Northern Ireland. The basis of Northern Ireland's limited self-government was as follows.

Governor of Northern Ireland

2. The Sovereign was represented by a Governor who summoned, prorogued and dissolved parliament in the Queen's name and gave the royal assent to bills. His functions were mainly ceremonial.

Cabinet

3. The executive power technically vested in the Sovereign, and on her behalf in the Governor, was in fact exercised by an Executive Committee, commonly called the Cabinet. This consisted of nine members - the Prime Minister, a Minister in the Senate, and Ministers responsible respectively for Finance, Home Affairs, Health and Social Services, Education, Agriculture, Commerce and Development. In 1969 a Ministry of Community Relations was added. These ministeries tended over the years to bring within their control an increasing range of activities which elsewhere in the United Kingdom were still, partially at least, under the control of the local authorities - thus police, fire service, electricity, housing, health and public transport were heavily centralised.

SJV/SIL/19345

Bicameral Parliament

4. A Bicameral parliament was established (subsequently to become widely known as "Stormont" from its eventual location) which was closely modelled on Westminster.

(i) The House of Commons consisted of 52 members, elected for five years, 48 of whom represented territorial constituencies and (until 1969) four the Queen's University, Belfast. The latter were elected by proportional representation but this method, which applied initially to all constituencies, was replaced in 1929 by a system of simple majorities in single-member constituencies for elections outside the university.

(ii) The Senate was composed of only 26 members. Of these, two-the Lord Mayor of Belfast and the Mayor of Londonderry - were members ex officio, the remainder being elected by the House of Commons by proportional representation. Senators held office for eight years, half retiring every four years. The Senate had delaying powers very like those in the House of Lords, but in practice the upper house rarely opposed anything of substance originating in the Commons. Usually, two out of three MPs were Unionists, and this majority was reflected in the Senate.

Liason with Westminster

5. Northern Ireland was represented at Westminster during this period by 12 members for territorial constituencies. (Initially a university seat was also included, but this was abolished in 1948.) Under a convention established in 1922, it was not possible for an MP at Westminister to raise any issue within the direct responsibility of a Stormont Minister.

Powers of the Northern Ireland Parliament

6. The Parliament was given a general power to make laws for "the peace, order and good government" of Northern Ireland. This meant that it had almost complete power over most internal matters, such as law and order, local government, education, social services, agriculture, industry and internal trade. The 1920 Act saved the Sovereign authority of the UK Parliament over all matters in Northern Ireland, but with some important exceptions considered below, this power came to be used only in the most limited way. In general the view prevailed that, having estabilised responsible if subordinate institutions in Northern Ireland with certain powers, the UK Parliament and Government should not lightly supersede or override those powers. Thus there developed a convention that the UK Parliament would legislate within the field of Northern Ireland's "transferred" powers only by invitation.

Limitations on powers

7. The powers of the Northern Ireland Parliament were limited in the following ways.

(i) Excepted matters

The Government of Ireland Act set out a list of "excepted" matters over which the Northern Ireland Parliament had no powers of legislation. These were matters concerning the Crown, peace and war, the armed forces, treaties with foreign states, dignities and titles, treason, naturalisation, domicile, trade with any place outside Northern Ireland, cables and wireless, air navigation, lighthouses, coinage and negotiable instruments, weights and measures, trade marks, copyright and patents.

(ii) Reserved matters

In addition to these "excepted" matters there were certain other "reserved" matters on which the Parliament had no power to legislate. These included the Supreme Court, the postal service, the imposition and collection of customs duties, excise duties on articles manufactured or produced, income tax and surtax, purchase tax and any tax on profits.

(iii) Religious equality

The Northern Ireland Parliament was also specifically prohibited from making laws, and the Northern Ireland Government from taking administrative action, other than on a basis of religious equality.

Finance

8. Although Northern Ireland was initially required by the 1920 Act to make an annual imperial contribution to meet items of national expenditure, such as defence, foreign representation and the national debt, it was later accepted in London that this must be a declining liability in the face of the high costs of social services.

9. The way its finances were arranged limited Northern Ireland's real power and capacity for independent action. It lacked control over its revenue, which was derived from three main sources:

(i) transferred revenue largely levied by its own parliament from such minor taxes as death and motor duties;

(ii) special payments from the British Treasury;

(iii) reserved revenue, controlled by Westminster, including such major taxes as income tax, surtax and customs and excise.

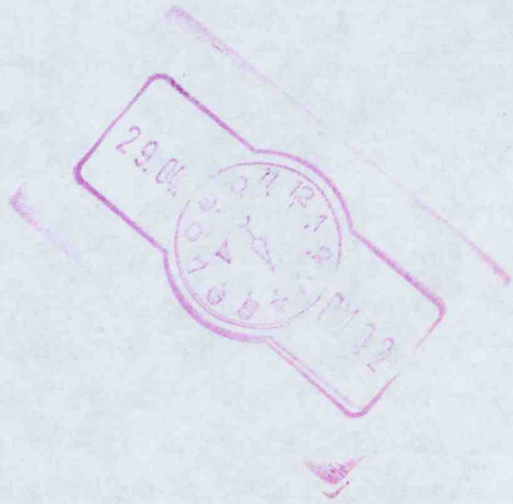
10. While transferred services accounted for some 90 per cent of expenditure, transferred revenue comprised at most only 20 per cent of its income. This meant that the pace of spending was set by Britain, whose example Northern Ireland felt obliged to follow to ensure that they received the same benefits as the rest of the UK. There steadily evolved a relationship based on the principle of "parity", by which citizens of the UK living in Northern Ireland paid the same taxes and enjoyed a similar standard of public sector services as their fellow citizens in Great Britain, achieved by payments to the Northern Ireland Exchequer, to Northern Ireland Statutory funds and direct to individual citizens in Northern Ireland.

11. Because public expenditure in Northern Ireland exceeded public revenue raised there, virtually all Northern Ireland's policies involving significant new expenditure had to be agreed in advance with HM Treasury, so that even in fields where distinctive traditions and needs of Northern Ireland led to the provision of distinctive programmes and policies, the Northern Ireland Parliament's freedom of legislative action was limited by the constraints of UK public expenditure.

12. Thus the Northern Ireland Government, though charged with the responsibility of administering the wide range of services assigned to it, was unable to control, or even anticipate in advance, what money (other than the share represented by the transferred taxes) would be available for this purpose. This lack of real economic or financial independence meant that independent legislative action tended to be concentrated on the social and regulatory fields, on changes in distinctive codes of law, and on measures which were significant for other reasons than their expenditure implications.

Direct rule

The troubles in Northern Ireland had profound effects upon the conventional relationship which had hitherto existed between the Parliament and Government of the United Kingdom and the authorities in Northern Ireland. Eventually, faced with the continuing IRA campaign and a political rift within Northern Ireland, the UK Government came to the conclusion that it was necessary to remove from the Parliament and Government of Northern Ireland their responsibilities for law and order. The Northern Ireland Government felt unable to accept this transfer of functions and indicated their intention to resign instead. The UK Parliament then enacted the Northern Ireland (Temporary Provisions) Act 1972 which effectively vested in the Secretary of State for Northern Ireland the powers formerly exercised by the Northern Ireland Government.



POLICY - IN CONFIDENCE

Prime Minister

SCOTTISH CONSTITUTIONAL ISSUES

The Election

1. The General Election result vindicated our decision to place the uncompromising defence of the Union at the forefront of our campaign in Scotland and high among the priorities of your personal campaign elsewhere in the UK. Our stance clearly struck a chord with the electorate - and not just in Scotland - and contrasted favourably with the manoeuvrings of other parties over proportional representation and 'devolution'.

2. Had we fared badly in Scotland but remained in office, we could have concluded that a major constitutional change was inevitable, notwithstanding the hazards it would bring, and set up some kind of Scottish Parliament with consequential adjustments to Scotland's position at Westminster. However, against the background of the election campaign and its outcome, I do not think such major change can now be easily contemplated. We are unequivocally committed to maintaining the integrity of the Union and the sovereignty of Parliament. This seems to me in the light of the arguments deployed during the Election to rule out an all-Scotland body that is either directly elected or has entrenched powers. Establishing a body with tax-raising powers would also seem to me to be hazardous (although if a body were to be established with spending powers there would certainly be attractions in obliging it to raise some of its own revenues).

Post-Election

3. Since the election I have sought to establish a moderate and reasonable tone, expressing a willingness to listen and to consider any constructive proposals from other parties to improve the mechanisms of government as they affect Scotland, provided always that they do not undermine the integrity of the UK. I expect some of the other Scottish party leaders will want to come and talk to me about this.

4. I have added to Peter Fraser's responsibilities a general responsibility for constitutional matters (as already happens under a Home Office Minister of State). I have also said that, although it is a House of Commons matter, I would like to see the Scottish Select Committee included among the re-established House of Commons Select Committees.

5. The other parties, as a result of their own internal problems, are warily converging around a rather inchoate campaign for a "multi-option referendum" which they want the Government to sponsor, inviting a choice between the status quo, devolution and independence. The campaign has no real credibility, but it may yet become a focus of difficulty for us if its present rather disparate supporters - still somewhat stunned and raw after the election result - do not fall apart in internecine squabbling. I have made it clear that I have little sympathy with the idea but have not yet rejected it out of hand since to do so would damage the reasonable tone I am trying to strike and might also cause them to coalesce more strongly around it.

The Future

6. I have no doubt at all that we must make perceptible changes. We have won a breathing-space, no more. The challenge is to achieve the right mixture of tone and substance to carry conviction with the public at large (we will never satisfy the other political parties) that Scottish interests are being more clearly responded to, without going so far as to endanger the Union in the way the proposals of other parties would do.

7. I do not have a firm package of proposals at this stage, but the following paragraphs offer undeveloped ideas, some of which may suggest ways forward.

8. I believe that the key to our approach must be:

8.1 That we should at all times retain the initiative and set the agenda;

8.2 That everything we do should be designed to strengthen the union and our own identification in Scotland as a Scottish Unionist Party;

8.3 That we should endeavour to develop policies for Scotland which are in accordance with our own basic philosophy and general UK policies;

8.4 That we should nevertheless achieve a genuine change of tone in our approach to Scotland in which we are seen to consult, listen and, where we reasonably can, respond to specifically Scottish interests and preferences.

8.5 That we should seek to emphasise the relevance of the Westminster Parliament to Scotland and demonstrate how it is able to take account of Scotland's particular circumstances without undermining the integrity of the United Kingdom. In this way, we would be better able to ensure that most Scottish MPs would feel more fully engaged in the existing Parliamentary system from which many of them at present feel alienated.

9. Against this background I see three obvious areas where adjustment of the machinery of Government might be considered:-

- existing Parliamentary machinery relating to Scotland;
- consultation arrangements outwith Parliament;
- day to day decision making.

Scottish Parliamentary Machinery

10. In effecting changes to the Scottish Parliamentary machinery, we should seek to emphasise the contribution Scottish MPs of all parties can

make to the consideration of United Kingdom affairs at Westminster. I believe there is a section of Scottish opinion whose conflict of identity in being both Scottish and British would be better resolved if it were to be perceived more clearly that their representatives are part of it all.

i Select Committee

11. The Scottish Select Committee might be established not, as at present on other Select Committees, with its membership reflecting the balance of the House as a whole, but with membership to reflect the balance of the Parties in Scotland. On this basis the Opposition Parties would have effective control over the choice of subjects studied and the terms of the Committee's Reports. Although such a step could be claimed as a significant response to demands for scrutiny of the Scottish Office more reflective of the balance of political opinion in Scotland, clearly there would also be problems; and I readily recognise that there is a principle involved which could have a wider application than just in Scotland.

12. I would like to see other Select Committees whose remit extends to Scotland such as the Treasury or Defence come to Scotland more often and be more visible north of the Border. Such an approach would assist greatly the perception of the relevance of Westminster to Scotland.

ii Grand Committee

13. We could give a greater role to the Scottish Grand Committee. Here the choice is to limit it to its present essentially deliberative role or to enable it to evolve in such a way that we might accept the majority view of the Committee on particular matters, retaining the initiative only through our control of the matters referred to it. (We have already conceded some years ago the principle that the Committee reflect the political balance in the House. It now comprises simply all Scottish MPs.)

14. The deliberative work of the Committee could be expanded by making full use of the provision already in Standing Orders (Second Reading Debates, estimates and debates of general interest) and by exploring the possibility of giving it a new role in relation to eg pre-legislation scrutiny of draft Bills and Statutory Instruments and Scottish clauses in GB or UK

Bills. Post-Committee stage scrutiny (or even post-Commons stage scrutiny) of Scottish legislation could also be considered, although unlikely to be productive.

15. We could also consider supplementing the existing arrangements for Scottish business on the floor of the House by allowing the Scottish Grand Committee to meet on a regular basis for questions to Scottish Ministers and short debates (akin to Adjournment debates or debates on unstarred questions in the House of Lords). The questioning role might be expanded to allow Ministers outwith the Commons to answer directly to it, e.g. the Lord Advocate, Solicitor General for Scotland, the Minister of State and possibly the heads of Agencies in Scotland. We might also consider once or twice a session having not just erratically-spaced debates or questions but a more protracted session in Scotland . I acknowledge that finding a suitable slot for this could prove problematical, given the whipping implications.

16. In the last Parliament the Lord Chancellor and the Lord Advocate for their respective interests in non-controversial law reform measures were anxious to promote a 'fast track' legislative procedure. A number of models to achieve this have been suggested but one which might be attractive for the Scottish interest would be the Scottish Grand Committee, the House of Lords and a Joint Committee of both Houses. Such an approach would undoubtedly have to rely on the good will of opposition parties but in the event of their intransigence we would be able to point to that and avoid the criticism in Scotland that the Westminster Parliament is indifferent to the needs of our distinctive legal system. I would hope also that the business managers in both Houses would support such an approach relieving, as it would, pressures on the floor of the House.

iii Standing Committee

17. One option, which I do not favour, would be to allow the composition of Scottish Standing Committees to reflect the balance of the Parties in Scotland. For some legislation this might not present a problem, since Government defeats on significant matters could be reversed at Report Stage on the Floor of the House. But I consider it to be an unnecessary concession and rather impractical.

18. A Special Committee procedure, conducted in Scotland, either through the Scottish Grand or a Standing Committee, could be used automatically, before the Committee Stage, for all Scottish legislation.

19. Any or all of the Scottish Parliamentary Committees could meet in Scotland, either in Edinburgh or elsewhere, provided arrangements could be made which were compatible with Members' other commitments in constituencies and at Westminster, though I doubt the practicality of this also.

Consultative Machinery

20. Another possibility which might be considered is to establish a stronger basis for consulting Scottish opinion outside Parliament itself.

21. It would, for example, be possible to establish a single consultative body whose membership would be chosen by the Secretary of State from a wide range of interests. Such a body could be consulted by, and could provide guidance to, the Scottish Office and other Departments on the formation and delivery of policy in Scotland.

22. As an alternative to creating a new all-purpose consultative body we could of course strengthen and add to the existing range of advisory and consultative committees which work with the Scottish Office in areas such as health care, social work, housing and the environment.

23. We could establish regional consultative bodies to make the voice of the outlying areas of Scotland more clearly heard and to take account of the diversity of opinion in the regions of Scotland. It is an error to believe Scottish opinion is homogenous in character.

24. Another option would be the creation of a special committee to advise the Secretary of State on matters of public concern comprised of leading figures from Scottish public life whose membership of the committee would be the result of their holding a particular post such as Chairman of the Scottish CBI, Moderator of the General Assembly of the Church of Scotland or the Lord President of the Court of Session.

25. I have to say I am cautious about some of these ideas: there is already considerable consultative machinery in Scotland. Nevertheless, they are worthy of consideration.

Local Government Reform

26. I have been taking a measured approach to the consultation stages of our local government reform proposals to move towards single-tier, all-purpose local authorities. In the context of local government reform there may be room for some 'Council of Scotland' to emerge as an over-arching body for local government in Scotland. Such a body would have to be considered in the context of whether it is desirable to set up what could come to be regarded as a Scottish Assembly.

Committee of the Regions

27. We are at present considering the territorial components of this new Committee. A bold approach that enhanced the place of Scotland, Wales and Northern Ireland would yield dividends. Careful thought must also be given to how Scotland's representatives on the Committee are selected.

House of Lords

28. I have not included any suggestions as to what part the Upper Chamber might play in changes affecting Scotland's place at Westminster, but it should not be over-looked.

Day to day decision making

29. For day to day decision making the issue is more a question of tone than of structures. Officials and Ministerial colleagues would be encouraged to adopt an enhanced listening approach, to get out and about within Scotland making contacts with a wide range of opinion, and, wherever possible, to take full account of the views expressed in relation to the content and presentation of decisions. The Government must be seen to be more visible and more accountable in Scotland.

Bringing the Union alive

30. It would greatly strengthen the position of Scottish Office Ministers if other colleagues with UK responsibilities could follow your lead in encouraging steps which might bridge the apparent feeling of remoteness between the Scottish people and the centre of power in London. Ministers with UK responsibilities might make more visits to places throughout Scotland; Scottish venues could be used more frequently for international events, in line with initiatives which you have helpfully taken. I hope for example that we can build on your most welcome decision to hold the European Council in Edinburgh and on the other Presidency events which are to take place in Scotland later this year.

31. An interesting proposal to emerge recently from the Institute of Economic Affairs was the suggestion that Edinburgh should become Britain's "second capital". There is of course a Welsh and (more problematically) a Northern Irish dimension to all this. The raising of their profiles in a United Kingdom context would also be helpful and would remind my fellow-Scots that the issue is not just a Scottish or an Anglo-Scottish one.

Scottish Solutions for Scottish Problems

32. Implicit in all of this has to be a willingness on our part to allow significant differences of approach and of timing between policy in Scotland and policy in the rest of the UK provided this does not threaten the integrity of our general policy stance. I hope of course that by taking greater pains to listen and to consult and by putting more effort into the detail of our presentation we will keep to a minimum the issues on which we need to consider significant divergence; but the hostility and scepticism of the Scottish media make that outcome a bit unlikely.

The Way Forward

33. I should welcome an opportunity to look more closely at these and other ideas with colleagues. There might be merit therefore in arranging for discussion in a small group of senior Ministers. You will want to consider whether this should be established formally as a Ministerial Committee or whether it should operate on an ad hoc basis. If the

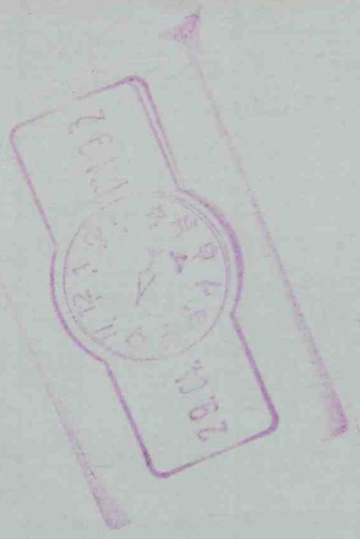
former, we should have to give details of its existence and membership. This would confirm to the world that we were indeed taking serious stock of the situation; it might on the other hand give rise to unreasonable expectations in Scotland.

34. Timing is important. At some stage we should contemplate publishing a White Paper and, depending on where we want to have reached by the next election, we may want to set up a committee of inquiry or even a Royal Commission (which could, if desirable, straddle the next General Election).

35. Whether or not we set up a Ministerial Group we shall have to be prepared to say something about our intentions soon after Parliament resumes, possibly in the Queen's Speech debate. I suggest that at this stage we should (1) be prepared to indicate sympathy with the case that a Scottish Select Committee be established that (2) we are taking stock and that we are willing to consider ways of improving the government of Scotland which do not threaten the integrity of the Union. (3)

IL

29 April 1992



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SUBJECT
MASTER

Filed on:

NOTE FOR THE RECORD

SCOTLAND AND THE CONSTITUTION

Lord Armstrong wrote to the Prime Minister shortly after the election urging him to grapple with the Scottish constitution problem quickly. He suggested this might be done by setting up a review of the whole structure of governmental and representative institutions throughout the United Kingdom. The review could be conducted by a relatively small group of people appointed in their personal capacities.

The Prime Minister invited Lord Armstrong to talk about his ideas, which he did on 29 April. Also present at the meeting were Mrs. Hogg and Mr. Hill.

The Prime Minister said he had spoken before the election of taking stock of the position in Scotland after the election. This had been against the possibility of a further weakening of the Government's position there. In fact, the election had turned out very much better for the Conservatives than had been predicted and the Conservatives were the only ones who had gained votes and share. This had put the Opposition on the back foot. Nevertheless, they did not want to leave matters where they were.

The present ideas for constitutional reform in Scotland were a muddle. If an assembly with legislative and tax-raising powers were established it would leave the position of Scottish MPs totally unclear. Equally, the Government's position was not entirely clear as its policy for Northern Ireland was geared towards producing a local assembly whereas this was being resisted in Scotland.

The Prime Minister said he shared Lord Armstrong's instinct that these issues should be tackled quickly. It was better to seek solutions to such difficult questions in the early years of a Parliament. Although no acceptable solution had yet emerged there was nevertheless clear grievance amongst Scots about the

b

present arrangements.

The Prime Minister added that a complicating factor was that the Government wished to ensure that the work of the Boundary Commission in England was completed in time for changes to be made for the next election. The changes proposed in local government structures could threaten this timetable. The same problems could arise in Scotland too.

Other issues which needed to be addressed were the continuing over-representation of Scots at Westminster and the fact that the expenditure formula was too generous in relation to current Scottish population.

Lord Armstrong said he was pleased that the Prime Minister was disposed to tackle these issues early. He shared the Prime Minister's worries about a tax raising assembly which he believed would put the union at risk, and believed most Scots did not in fact wish to damage the union. He wondered whether the introduction of regions throughout the whole of the United Kingdom might be part of the solution. This would strengthen the case for retaining district councils rather than counties. He thought it was better to go to look for a comprehensive solution as part of a "new deal". He repeated his suggestion for a small body who might be asked to come up with a blue print. These should be eminent people but not active in current politics.

In discussion the following points were made:

(i) if a review of the kind Lord Armstrong suggested were set up it would be necessary for the Government to specify the terms of reference;

(ii) one possibility would be to create a single council for the whole of Scotland as the upper tier of a two-tier system;

(iii) it was important to distinguish between a council and an assembly. A council would be a larger form of local

authority which would have no legislative powers of its own, acting under powers provided for it by Westminster. It might have tax raising powers but these would be within the parameters determined at Westminster;

(iv) if such a Scottish council were established the relationship to the Secretary of State would need to be agreed. Would he simply be pro-consular or would he take part in the proceedings of such a council;

(v) at present the financial resources made available to Scotland are determined on an expenditure key. It would be possible to switch to a revenue key with some limited powers to top this up;

(vi) one approach for the short-term would be to continue to put forward the Unionist message as had been done during the election campaign but this could be supplemented by some similar initiatives, eg. holding some sessions of the Scottish Grand Committee or Cabinet in Scotland. It was argued, however, that this would tend to lose the Government the initiative;

(vii) it was important to mobilise Scottish business opinion. This should be possible given their fears of a tax raising assembly. The Prime Minister might make an early visit to address a business gathering;

(viii) rather than asking Lord Armstrong's committee of experts to produce recommendations it could be given the task of gathering evidence on opinion in Scotland. It could draw conclusions falling short of recommendations.

Summing up the discussion the Prime Minister said he would reflect on the ideas that had emerged, particularly that of a body to gather evidence or opinion. While it would not be possible to forbid them from hearing views of a particular kind,

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it would be necessary to make clear that they were seeking views on how a Unionist solution could be devised.

The Prime Minister said he was awaiting comments from the Secretary of State for Scotland and he would shortly be holding a meeting with Sir David Steel.

AT

ANDREW TURNBULL

29 April 1992

c:\pps\scotland (slh)

THE RT HON. SIR DAVID STEEL KBE MP

Prime Minister
To note. Would you like to confer with N Lamont before responding?
KT 28/4

HOUSE OF COMMONS
LONDON SW1A 0AA
27 April 1992 28/4

original in GR.
IRS

The Rt Hon John Major MP
Prime Minister
10 Downing Street
London

Dear Prime Minister,

Further to my letter of 10 March, if you would like a discussion on the Scottish situation I shall be back in the House as from Monday, 11 May and will be at your disposal.

I do not intend this to cut across the official request which has been made for a meeting by the Scottish Constitutional Convention.

Yours,

David

Yours David -

DAS

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

21 April 1992

Dear Robert,

Thank you for your letter of 11 April and for your warm message of congratulation. All through the Campaign there was a discrepancy between what the polls were saying and what experienced campaigners were telling me they were encountering on the ground. Naturally, I put my faith in the latter and was happily vindicated. We need now to dispel the myth that it was the Opposition who ran the better campaign. Other than in the area of glitz, where they went over the top, ours was the better campaign. It was they who made strategic errors while our judgments proved to be sound.

Before the Election, I said I would "take stock" of the situation in Scotland. Against all predictions we improved our position in Scotland and, for the first time in a decade, it is the Opposition Parties who are on the back foot. Nevertheless, I do not intend to sit back and do nothing. I will be discussing with colleagues the way forward and would welcome a similar discussion with you.

I will be in touch soon about this.

With best wishes,

Yours Ever,

The Lord Armstrong of Ilminster, G.C.B., C.V.O.

POLICY IN CONFIDENCE

PMG

10 DOWNING STREET
LONDON SW1A 2AA

From the Principal Private Secretary

SIR ROBIN BUTLER

SCOTLAND

The Prime Minister discussed your minute of 14 April briefly at your meeting this morning. Before establishing any formal machinery, he is awaiting advice from the Secretary of State for Scotland on how this whole issue should best be approached. He has taken note, however, of the ideas you put forward.

AT

ANDREW TURNBULL

15 April 1992

POLICY IN CONFIDENCE

KW

POLICY IN CONFIDENCE

Ref. A092/1104

PRIME MINISTER

Prime Minister
I think you need to think through where you want to go on Scotland in more private forum before setting up and announcing a review Committee. I have asked Sarah for her thoughts & she hardly slept last night
AT 14/6

Scotland

Following the General Election result it is being asked what will follow from your statement that you would take stock of the situation in Scotland after the Election. The result of the Election in Scotland has made this less pressing but it is unlikely to go entirely away. This minute contains a range of suggestions that you may want to discuss with the Secretary of State.

2. One possible first step might be to establish a small committee of senior Ministers to review the issues and to announce this. You might wish to chair this yourself; alternatively the chairmanship could be entrusted to a very senior colleague (Mr Hurd?).

3. I imagine you would not want to give any public indication at this stage of what ideas the Committee would consider other than to stress that they will do nothing likely to jeopardise the Union. The remit for such a Committee would need discussion with some of your colleagues but might be along the following lines:

> "To review the present arrangements for the Government of Scotland to identify a range of measures which might be worth further consideration and to recommend ways of taking these forward".

4. Issues which the Committee could be asked to look at include:

> 4.1 The extent to which the Government could contemplate further divergence of policy between Scotland and the rest of the UK.

4.2 On the assumption that further policy divergence can be tolerated, there is a variety of possible measures to take greater account of Scottish views, ranging from enhanced consultation, new consultative machinery within Scotland, concession of greater latitude to Scottish Members at Westminster in relation to Scottish legislation, to an elected assembly with varying degrees of power (though I know that you do not envisage going that far).

4.3 Whether to establish a Royal Commission or expert committee, either with a broad remit to consider ways of improving the Government of Scotland or with a limited remit carefully defined for it by the Ministerial Committee - eg to examine the feasibility, costs and benefits of specified alternative schemes.

5. As an alternative approach (or it could be pursued in parallel) you might invite the Secretary of State for Scotland to consult widely within Scotland about measures which might be considered. The advantage of this approach is that it would allow all concerned to express their views. Those consulted would include the political parties in Scotland, the Scottish CBI, the STUC and Professional bodies.

6. I thought it worth putting to you this brief minute in case you want to commission any work or to hold an initial discussion with your Ministerial colleagues before Parliament meets.

R.E.R.B.

ROBIN BUTLER

14 April 1992

Temporarily Retained

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS AC

Sarah H/. PSO photocopy & return

Pl. note

from Lord Armstrong of Ilminster

The Rt. Hon. John Major, M.P.,
The Prime Minister,
10 Downing Street,
London S.W. 1.

11 April 1992

Dear Prime Minister,

First, I should like to congratulate you most warmly on the result of the General Election. It is a marvellous and historic achievement to lead your party to its fourth election victory in succession; and the victory must taste particularly sweet after the possibility of it had been so comprehensively discounted in advance by the pollsters and pundits. I wish you every possible success in the coming years.

There is one thought that I should like to put into your mind for consideration at this time. It is a development of some thoughts which I expressed in a debate in the House of Lords about local government in the last Parliament, but it has come back to my mind with renewed insistence during the election campaign and in the light of the results in Scotland and their consequences.

I very much share the apprehension you expressed towards the end of the election campaign about the threats to the integrity of the United Kingdom. I personally doubt whether it would be wise or practicable to sit back and do nothing about the alienation that is in danger of building up in Scotland towards England and the Government at Westminster. On the other hand I think that it needs to be dealt with in a United Kingdom context - not just a Westminster-Scottish context - if it is not to become even more seriously divisive than at present.

It seems to me that the time has now come when the best hope of finding a generally acceptable and durable settlement in a United Kingdom framework would be to put in hand a wide-ranging review of the whole structure of governmental and representative institutions at United Kingdom, national (i.e. English, Scottish, Welsh and Northern Irish), regional and local levels with a view to arriving at a comprehensive settlement which would provide for a sensible

distribution of powers and responsibilities between the various levels and sensible relationships between them, and would reflect legitimate needs and aspirations for the expression of national, regional and local identities, while preserving the reality of the union and effective governmental and representative institutions to discharge the powers and responsibilities for matters affecting the United Kingdom as a whole. The review would have to cover the whole range of issues of structure, organisation and finance - the control of expenditure, the raising of revenue and borrowing powers. It would probably have to subsume the review of local government which was put in hand in the last Parliament.

This would in effect be a review of the terms of the union, without calling in question the union itself. I see such a review being conducted by a relatively small group of people appointed in their personal capacities: a group made up of representatives of the various interests would be cumbersomely large and would never arrive at a consensus. But the review would have to be conducted with sufficient openness to enable those conducting it to gauge reactions and to try as far as possible to take the leadership of the main political parties with them on the main thrusts of their recommendations, so as to give some chance of arriving at a settlement which could command a sufficient degree of general political and public acceptance. The review should not be conducted within the government, so that the Government would not be bound by and could not be held responsible for its findings.

I suggested something of this kind to your predecessor (though only for local government). She saw the point, but she clearly thought that the idea was utopian, and that it was too big and too thorny a business to take on. She was no doubt right at the time; and of course she was temperamentally reluctant to entrust such issues to review outside government. But things have moved on since then; and, if there is ever a right time for such an initiative, it is surely at the beginning of a new Parliament: if the review could be completed in eighteen months or two years, it would be possible to contemplate legislation in the third or fourth year of the parliament. And a proposal on these lines could keep the initiative in the hands of the Government, and take some of the heat out of the politics of the situation.

I hope that I have written enough to explain to you why I am taking up your time with this letter. Mindful of the old Cabinet Office rule, I will not go beyond two pages; but I should be very ready to discuss these ideas further with any one whom you might care to nominate for the purpose, if you thought that that might be worth while.

Yours ever,

Robert Armstrong

Temporarily Retained

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

Personal

11 April 1992

Dear Prime Minister,

I wanted not just to congratulate you on the election victory – which I do most warmly – but to say how very much I have admired the skill and the steadfastness with which you have conducted your campaign: no more than I have learnt to expect, but none the less heartening and marvellous, and I am sure the major factor in the success.

With every good wish to you both

Yours ever

Robert

PERSONAL AND CONFIDENTIAL

A21/1(9) LP

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 071-21 82193 (Direct Dialling)
071-21 89000 (Switchboard)

PERMANENT UNDER-SECRETARY OF STATE
SIR MICHAEL QUINLAN GCB

Pl. pass to Mr. Russell and keep a copy for me

PUS/E92/370
6/4/18

CABINET OFFICE
A 4198
31 MAR 1992
FILE No.

30 March 1992

c- ~~Mr Russell~~

Dear Robin.

DEVOLUTION

Many thanks for your kind note about my offering at Sunningdale; I enjoyed revisiting the topic. You may like to have the attached copy of what I said. I hope I am wrong, or that it never happens.

c- Mr Allan (No 10).

Yours ever,

Michael

Alex/

1. Barry

Yes - very useful. Pl. send:-

(1) a copy to Alex Russell

(2) " " " me.

To see — this was a paper which Robin mentioned at a lunch: the Prime Minister thought he might use the phrase "a step half way across a chasm" in a speech.

2. Prime Minister: A thoughtful piece.

AA
19/5.

Sir Robin Butler KCB CVO
Cabinet Office
70 Whitehall
London SW1A 2AS

file with papers on "taking stock" on Scotland

PERSONAL AND CONFIDENTIAL

100% Recycled Paper

IN CONFIDENCE

49/1

SPRING SUNNINGDALE

REGIONAL GOVERNMENT

I first got into this subject in 1974, after the Labour Government, with a wafer-thin majority over the Conservatives in the February election and with a notable upsurge in SNP representation, committed itself to devolved Assemblies for Scotland and Wales; and I was posted to the Constitution Unit which was to work out the plan. The real political motivation essentially concerned Scotland; Wales was mostly just me-too-ism, and very few people were talking seriously about regional government in England in its own right. The Scottish problem was not new - it had a surge just after the war, for example; but what gave it oomph in the 70's were the two factors, not wholly unconnected, of North Sea oil and the SNP threat. I suggest to you that, now just as then, the issue of regional government, however theorists may dress it up, is in a practical political sense simply about how to cope with Scotland.

2. Why should Scotland need to be "coped with"? Essentially because two general factors - justifiably distinct national consciousness, and physical and psychological distance from London - come together with one or both of two particular factors: first, that as mostly nowadays a Labour country, Scotland does not much like Conservative government; second, that when UK Limited does not seem to be doing especially well demerging in some degree or other looks attractive. All this is particularly sharp just now when Labour predominance in Scotland seems overwhelming, Conservative government - distinctively Conservative - has gone on for a very long time, and we are all in plain recession.

3. What does Scotland want? It already has a great deal of effective de-centralisation, embodied in the Scottish Office's wide functions and powers and manoeuvre room, and in its success in getting, by at least some measures, rather more than its due share of public resources by comparison with the rest of the UK. The snag is the England-dominated Westminster Parliament. Solution, as seen by many in Scotland: give it its own democratically-elected assembly, to oversee a suitable range of governmental functions.

4. But: there was and is an enormous "But", one which when I was working on devolution - a task, I may tell you, which I vastly enjoyed - not only vague semi-detached English opinion but also passionately-engaged Scottish opinion was extraordinarily slow or reluctant to comprehend. It concerns, in shorthand, Tam Dalyell's West Lothian question. If you take away from Westminster and give to a Scottish Assembly effective law-making power over, say, education, health and transport in Scotland, by what possible right do 70-odd Scottish MPs at Westminster continue to vote on education, health and transport for England? But if they are excluded, you stand to get from time to time a situation - given particularly that Scotland is usually a Labour country and England usually a Conservative one - in which there is a Labour majority at Westminster for some subjects and a Conservative one for others. That would have been the case for certainly three and probably four of the five Parliaments in which Labour has won since 1945. And given the interdependence of major fields of Government, especially in tax and expenditure terms, you simply could not run coherent Government that way.

5. There is of course a theoretical precedent. In Stormont days Northern Ireland had its own Parliament, yet still sent to Westminster a set of MPs with no voting restrictions. However - two howevers -

Firstly, the Westminster representation was deliberately scaled down by about thirty percent from strict entitlement, as a rough-and-ready way of dealing with the logical deficiencies of the situation.

Secondly, Northern Ireland is much smaller than Scotland, and the scaled-down representation of twelve MPs did not make a key difference at Westminster - even when they were virtually a guaranteed Conservative bloc, they were never enough to create a Conservative majority over what was otherwise a Labour election victory.

Even if you scaled down Scotland's current representation - or rather over-representation, that being part of the long-standing Union bargain - in the same way, you would still have had about 40 MPs in that anomalous position (though it is worth noting that with Scotland reduced to that level I believe Labour would

not have won at all in 1950, or 1964, or 1974.) The underlying point is that our constitution can cope with anomaly on a small scale - Isle of Man, Channel Islands, Stormont just about - but Scotland is just too big. (And the problem gets worse if Wales is towed along too on a similar basis - 38 seats there.)

6. Fundamentally, the difficulty is that you cannot logically have a semi-federal constitution - that is, one in which part of the country is governed through a division of power between a higher and a lower legislature, and the rest through a unitary legislature. (It is difficult enough to have an unevenly federal system, as the Canadians know through their constant stumbling over the Quebec issue.)

7. One might like to think that all these knotty conceptual problems might be manageably solved in the real world by a good dose of British pragmatism, commonsense and tolerance of arrangements short of ideal purism. I should myself positively like to believe that, for I recognise that there is now a real problem in Scotland. Alas, it is not that easy. What is at issue in the Westminster conundrum is political power - who is to govern. That matters enormously to all politicians; and it is therefore just pious hope to imagine that serious inequities would not sooner or later cause upheaval. An illogical or unfair fudge could not be stable.

8. Wider regional government enters the argument at this point - essentially by the Scottish back-door. Why not balance things up by awarding devolution all round? A few middle-rank Labour Ministers in the 1970s saw this as the answer, and the Liberal Democrats still do. But then the "buts" begin again.

9. Firstly, England is far too big to be a single component of a federation. It has over 80% of the total UK population; the biggest single component to be found in any existing federation is, I think, New South Wales at about 35%. So we have to split up England. But on what basis, and with what justification? England has been a unitary state for over a thousand years. There are no adequate natural or historic divisions matching economic, social or cultural distinctness. There is no evident desire, and no very obvious administrative room, for another tier between Westminster and local government. Even if there were, it certainly does not extend to the wide range of government functions - like maintaining a distinctive legal system - which a Scottish Assembly would expect to exercise; so we would be back at best to the Quebec problem of unevenness.

10. At root, the fact is that the Union of Crown and Parliament between England and Scotland is a unique and peculiar bargain. No-one has identified any coherent way of re-designing it without breaking it. It has enabled Scotland to have its turn, three times since the war, at imposing on much-larger England an election outcome which was not what England preferred. Sauce now for the gander, I suggest. Devolution is a step half-way across a chasm, a choice to evade choice. But the real choice - Union basically as we have it now, or separation - cannot durably be avoided.

11. I am sorry to compound the afternoon's gloom; and it gives me no particular pleasure to knock the devolution idea. But I do fear it is at best likely to be a costly distraction from bigger and more relevant tasks on the national agenda, and sooner or later in all probability a serious disruption to them.

March 1992

MICHAEL QUINLAN

fric ats.

bc - Sarah Hogg
Peter Bean
FCO.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

10 February 1992

INTERVIEW WITH LE MONDE

Thank you for your letter of 5 February.

Mr Zecchini has a good reputation and I see no problems about the interview you have in mind.

J. S. WALL

James Hynd, Esq.
Scottish Office

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

M Dean, Press Office cc. Sarah Hogg

Any problems?

J S Wall Esq
Private Secretary
10 Downing Street
LONDON
SW1A

5 February 1992

Dear Stephen

M Wall

None at all. M Zecchini has a good reputation with the Embassy in Paris.

Press 10/2

INTERVIEW WITH LE MONDE

My Secretary of State has received an approach from the French newspaper Le Monde for an interview to discuss constitutional matters affecting Scotland.

The newspaper is planning to run a major feature on Scotland looking at independence, devolution and the status quo and how the options affect Scotland's position in Europe. The interview would be conducted by the newspaper's London based correspondent, Mr Lawrence Zecchini, who will be visiting Scotland next week and would hope to interview my Secretary of State then. Mr Zecchini will also be speaking to the other political parties in Scotland.

My Secretary of State is of a mind to accept this request subject to clearance from the Prime Minister and the Foreign Secretary.

I am copying this to Richard Gozney (FCO) and Gus O'Donnell.

Yours
James

JAMES HYND
Assistant Private Secretary

ICH00305.022

Prime Minister

BHP 29/1

PRIME MINISTER

29th January 1992

SCOTLAND

The Scotsman published a poll today that showed that 50 per cent of Scots now favour independence, up 13 per cent since September. Devolution was 27 per cent (-14 per cent) and the status quo was 19 per cent (no change).

The media has been interpreting this as bad news for the Government, but you should note:

1. Independence ranks eighth in importance of issues, after unemployment, NHS, the economy, education, community charge, and benefits.

2. Conservative support remains at 23 per cent, only 1 per cent down on 1987. We have been bouncing around this figure all year. Labour are on 41 per cent (-1 per cent from 1987) and SNP 26 per cent (up 12 per cent).

3. Applying this trend equally to all Scottish seats, we would lose two seats, including Ian Lang's Galloway and Upper Nithsdale. But Labour would also lose one. A strong showing for the SNP would actually help in our other marginals.

4. 39 per cent of Scots accept that home rule would increase their taxes. 48 per cent consider this a price worth paying, a figure lower than those who claim they would be willing to pay more for better services.

5. These results are uncomfortable reading for Labour and the Liberal Democrats.

Alan Rosling

ALAN ROSLING

027.ar

10 DOWNING STREET

(2)

Prime Minister

SCOTLAND

There is a risk of over-interpreting the poll data.

What it surely demonstrates is

1) a big, perhaps, growing support for independence;

2) four out of five want independence or devolution;

3) even amongst Conservative supporters, there is less than full support for the status quo.

I would not discern the conclusion at 'X' - well within the sample error.

BHP 29/1

Thanks for 25/1.

PRIME MINISTER

24th January 1992

SCOTLAND

The Scottish Sun came out yesterday in favour of independence for Scotland. Today, the paper has published a MORI poll which they presented as showing that 40 per cent of Scots now want independence.

This gloss on the poll findings was mischievous. They had added together those wanting 'independence in Europe' and 'independence without Europe', normally separately reported. These figures are unchanged on last month, and only marginally up from November.

The real news from the poll was the continued shift of support away from devolution and increase in support for the status quo.

	Jan Sun MORI	Dec ST MORI	Nov ST MORI
Status quo	22	17	16
Devolution	34	40	47
Independence in Europe	31	31	26
Complete independence	9	9	8

This trend shows the partial success that Ian Lang has had in pointing out the contradictions and pitfalls in both Labour and the Lib Dem's plans for devolution. Interestingly, 52 per cent of Scots said they expected taxes to go up if they became independent. 43 per cent said that they would not be willing to pay more tax for any degree of self government, 31 per cent that they would pay more for complete independence,

and only 18 per cent that they would pay up for limited self government.

This must confirm that the line agreed earlier this week in your meeting with Ian Lang makes sense.

Alan Rosling

ALAN ROSLING

015.ar

10 DOWNING STREET

Prime Minister

DEVOLUTION

You might like to glance through this. They report on the "Scotland: A Time to Unite" debate.

We have had a hard time against an inevitably hostile audience. But surely the "Independent" & "Times" leaders on top represent left the emerging view - that the government of Scotland must change.

The issue is whether it is better politically to take that decision pre or post Election.

FHP 21/1

(2)

THE INDEPENDENT
40 CITY ROAD, LONDON EC1Y 2DB (telephone 071-253-1222; general fax 071-956-1435)

Scottish disunion

SCOTLAND is different. Until the Treaty of Union in 1707 it was a nation state. Since then it has retained its own laws, established church and educational system, a distinctive culture and a strong sense of national identity nurtured by memories of its separate history. British governments have recognised this to the extent of creating the Scottish Office, but the majority of Scots want more. Opinion polls put support for the status quo at less than 20 per cent. About 27 per cent want total independence. Around 47 per cent would opt for some version of the devolution now proposed by the Labour Party and the Liberal Democrats, giving Scotland a legislative assembly with power to tax.

One reason why the problem has been creeping steadily up the political agenda may be the trend towards regionalism and self-determination in Europe, which creates a new context for Scottish nationalism. But the more specific cause is that support for the Conservative Party has declined so far in Scotland that the Scots feel they are being ruled by a government even more alien than usual. At present the Conservatives hold only nine of Scotland's 72 seats at Westminster. After the election they may have only three. Yet all the ministers in the Scottish Office are Conservative. If the Conservatives form the next government, the resentment of the Scots will grow. If the Labour Party wins, it will be called upon to honour its promises on devolution. Either way, change looks likely.

The attitude of British parties to devolution has been inconsistent and distorted by ideology. For many years Conservatives regarded devolution as an antidote to socialist centralism. Then Mrs Thatcher came to equate Scottish nationalists with socialists. The present government is becoming more realistic. Ian Lang, the Secretary of State for Scotland, hinted at rather narrow change when he spoke in the lively debate organised by *The Scotsman* at the weekend.

Further thinking is required by both main parties. If the present Conservative position is untenable in the long run, Labour's position is dishonest, since it envisages devolution without reducing the over-representation of Scotland at Westminster. To match the rest of the United Kingdom the number of Scottish seats should be reduced to 59, whatever harm that will do to Labour. Then there is the vexed question of money. Scotland makes up 8.9 per cent of the population of the United Kingdom, contributes 7.6 per cent of its tax revenue but consumes 10.9 per cent of identifiable public expenditure. In 1990-91 it spent £616 per capita on health, compared with England's £496. The Scots may argue that they could generate more wealth if given the chance, but initially they would probably have to trade money for pride. Neither party has fully grasped this nettle.

The Conservatives should start by ceasing to confuse Scottish devolution with local government reform in Britain. There is no need for regional assemblies in England or, probably, Wales. Scotland is a special case because of its distinct national identity. If any link is made it should be with the broader questions of constitutional reform in Britain. If Scotland were to acquire an assembly elected by proportional representation and a bill of rights, Britain would be deeply affected. Conservatives should join the debate now.

Peter Brook

cannot be questioned by the right, this man strong enough to make concessions that are seen at home as statesmanlike. Such calculations must have been behind his decision to attend the opening Madrid conference.

He also knows that electoral arithmetic is on his side. Since the last general election in 1988, and especially since the formation of his present coalition 18 months ago, the prime minister's Likud party has pulled ahead of its chief rival, the Labour party. More and more, Shimon Peres is looking a loser, a man tarnished by discredited socialism and wishy-washy in defence of Israel's interests. Mr Shamir can probably

Moscow. William them. water rights, arms control and refugee practical issues at the heart of the conflict will be meaningless.

The danger in the Middle East is that delay slows momentum and stifles the best of intentions. Frustration builds up, and random incidents are used by extremists to undermine progress. The onward march of fundamentalism in Algeria, Egypt and Jordan shows that moderation has enemies everywhere. Mr Shamir must use the election to free himself of the far right's stranglehold. He must then play his peace cards swiftly and decisively at the negotiating table.

THE TIMES - 20/1/92

OVER-UNIONISED

The people of Scotland are citizens of a nation with a culture and identity as defined as that of any of the dozen new states flourishing in eastern Europe. They believe they know what is good for their country and are not enamoured of politicians from England telling them they are quite mistaken. Yet the Scottish secretary, Ian Lang, has made a practice of doing just that. Last weekend he proclaimed to a 2,500-strong audience in a debate organised by *The Scotsman* that devolution would leave Scotland over-taxed and over-governed, and would lead inexorably to independence. He of course never breathed the word self-determination.

How long can the Tories keep up their opposition to constitutional change in Scotland in the face of overwhelming support for greater self-government? Conservative scaremongering over devolution has always been patronising. It is now reckless. Under an assembly with tax-raising powers, the Scots will only be "over-taxed" in the view of Mr Lang. They will be taxed as much as they choose to be. They may choose a level higher than that in the rest of the United Kingdom. They may choose the reverse. But choice they should in some degree be allowed.

One term of a high-taxing Labour regime could well lead to subsequent victory by tax-cutting Tories. Scotland does not forever have to be anti-Conservative. As recently as 1955, the Tories won more Scottish seats than Labour. In the 1980s, the Scots disliked two aspects of Toryism: the peculiarly English matriarchy of Margaret Thatcher herself and the condescending satrapy of her government. When the first was removed, the Conservatives' reward was an immediate five-point rise in Scottish polls.

The satrapy remains, and with all other Scottish parties in favour of constitutional reform, its electoral impact is crippling. A Mori poll for the *Scottish Sun* yesterday found Labour at 47 per cent, almost double the 24 per cent for the Tories. That puts Labour ahead even of its 42 per cent vote in 1987, in which it won 50 of the 72 Scottish seats. The Tories are down to nine seats, fewer than the Liberal Democrats. Even if the Tories win the election, they may have to staff the Scottish Office with English MPs. Such a "colonial" administration would surely shame the party into reconsidering devolution.

The Conservative party, ever more dominated by the South-East, is not acting in its own interest. An assembly in Edinburgh with extensive executive power would require an end to the over-representation of Scottish MPs at Westminster. Scotland would lose 13 seats if the average number of voters per constituency were brought into line with those south of the border, and should lose double that number if devolution is to have real meaning. The result would be a strongly Tory tilt at Westminster.

Mrs Thatcher persistently identified Unionism with Westminster-centrism. Virulent in her defence of Westminster against Brussels, she could see no virtue in subsidiarity to local councils or regional assemblies. For them she had the same contempt that her EC opponents have for national parliaments. John Major has not shown any divergence from this centrism.

Unionism need not be incompatible with devolution, as countless Tory "devolvers" in Belfast have protested. Mr Lang claims that a Scottish parliament would lead to Scottish independence. By what process? His intransigence, eerily reminiscent of earlier British colonial rulers, is a greater threat to the Union. By setting a false dichotomy — independence or nothing — he encourages more Scots to move into the radical camp. A System 3 poll for the *Glasgow Herald* last week found that, faced with Mr Lang's stark choice, 55 per cent would opt for independence. When offered devolution too, support for independence drops to 35 per cent.

The government's policy of centralism is anachronistic and prejudicial to the Union. Scotland's status within the United Kingdom must change.

HISTORY LESSONS

In the immortal phrase of *1066 and All That*, the European Community is a Good Thing, at least according to a new multinational textbook, *The History of Europe, by 12 European Historians*. This curious EC-subsidised volume was originally conceived by socialist MEPs as a common history for Europe's schools. Its aim is to counterbalance national opinions on, say, Waterloo or the Franco-Prussian War with "descriptions of events which occurred simultaneously in all member states, to stimulate an awareness of belonging to a single political entity". As one half of Europe tears up a false

ers, which once concentrated on the growth of empire, will naturally need to examine more intensely Britain's relations with continental Europe, east and west. These changes will arise from new knowledge and the enthusiasm of students and teachers; they should not be the subject of some Euro-syllabus pushed through the council of education ministers by qualified majority vote.

Of course short-sighted historical nationalism may blight Europe's understanding of itself. Too few seminal works are translated in any direction, leaving unplumbed the

From Mr Ian M

Sir, Janet Daley's plea for news service on radio is lazily argued. She tells us that "an incurable news addict", must be a painful affliction, bu is no evidence that it has yet re epidemic proportions.

What her case seems to boi to is that those who were resp for "Scud FM" enjoyed doing then they would, wouldn't the always a relief to slip out o corsets; so restful not to have t to check a quote or a statist pronounciation.

"Vested interest", says Miss darkly; "the BBC favours tho guard their own spheres fluence". A better case could b for saying that after many y being the most powerful interest of all within the corp News in the domestic services established as a state within and as no longer subject to r the standards of editorial

Labour and Nato

From the Minister of State f the Armed Forces

Sir, I beg to differ with Peter ("Overtaxing voters", Janu He rightly suggests that th "serious questions about I defence proposals", but quali by adding that they are compared to the effect a victory would have had on 1983 or 1987.

The effect of Labour's policy on Nato would be a but minor. Labour's poi refusal in the nuclear de January 14 to support (in ar or form) the retention of a nuclear deterrent, the cor nuclear deterrence or the ne sub-strategic nuclear capab tirely undermines Nato

Spending assessm

From Ms Judy Mallaber

Sir, Mr Michael Portillo's a (report, January 17) that our of the standard spending ments (SSAs) is "ludicrous" go unchallenged. He que concentration on the shire councils: but it is precisely this class of authorities t statistics raise questions on SSAs are set.

The proposed national increase in SSAs is 6.8 per Liberal Democrat and Lab trolled districts are in line creases of 4.87 per cent and cent respectively. Our resear find no reason to account for asked ministers to comment

Mr Portillo cites the incr some London boroughs to strate even-handedness. record, in the 32 London au both Labour and Conserva ministrations receive avera increases of 7.7. per cent. Democrat and no-overal authorities get 7.3. per c closeness of the London makes an explanation of ferences even more importa

Yours sincerely,
JUDY MALLABER (Direc
Local Government Informati

Oh yes they did, but oh

As the pantomime season ends **William Paul** enjoys the show when the politicians take centre stage at the Usher Hall for the great debate

Alex Salmond

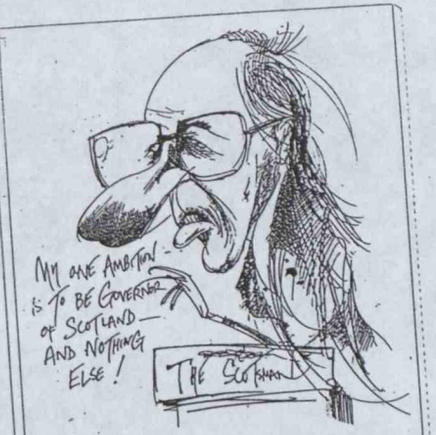
'No one but no one will make a better job of running Scotland than the people that live here.'

'We have the opportunity at the next general election to change the face of Scotland. It is time to get on with the job.'

'We have not lacked courage, we have not lacked pride, now we need to take responsibility.'

'We can either continue to be a subsidiary part of the UK or we can have a new concept of being a real country within the EC. At the moment we are misgoverned in our own country and misrepresented in the wider community.'

Performance rating: clapometer 22secs, cheeky, assured and polished, overall 8/10.



Donald Dewar

'I fairly concede that if the clapping was to decide anything, Alex Salmond would have won the Eurovision Song Contest tonight.'

'What the Labour party offers is the greatest fundamental change to the constitution for 300 years. This is not a matter of minor adjustment and fine tuning of existing machinery, but a major challenge to the way we run the country.'

'Anyone who looks at the scars of the poll tax, the frustration and bitterness that has come from existing policy on education and health will understand why a Scottish parliament is necessary.'

Performance rating: clapometer 18secs, uncomfortable start but scored in debate, overall 6/10.

At the tailend of the pantomime season Scotland's party leaders put on a show that stuck firmly to a traditional script at the Usher Hall in Edinburgh last night.

The plot was no surprise and the dialogue, from opening speeches to closing statements, was full of the kind of weel kent and well rehearsed phrases that spring easily to the lips like favourite tunes.

The capacity audience, an awesome sight according to *Scotsman* editor Magnus Linklater with grandiloquent overstatement, quickly entered into the spirit of things and sang along when prompted or provoked.

There was cheering and booing and heckling and slow hand clapping as the performers scrutinised fretted their brief span on the platform. Everybody from the wholeheartedly committed to the merely curious had a part to play.

Scotland: A Time To Choose ran the debat's promotional slogan but from the start it was clear that the great majority of the 2,500 people in the hall had already made their choice in advance and were only there for the entertainment and the glorification of their chosen hero.

Alex Salmond for the SNP was all brash cockiness, having to hold back to let the applause subside only 10 seconds after launching into his speech.

Donald Dewar displayed Labour's weary superiority as the country's largest party, going over his allotted time and wiping the sweat from his forehead as he flopped back into his seat.

Scottish Secretary Ian Lang, minus the black cloak a real villain would have wrapped himself in, resorted to the dogged arrogance Tories need to defend a minority position and pretended the hostility he generated was all part of the act.

And Malcolm Bruce for the Liberal Democrats was so full of disingenuous reasonableness that you got the impression his party would not only make sure poor Cinderella got to the ball but that the Ugly Sisters would be referred for psychological help as well.

The Greens were not invited but they handed out leaflets at the door and managed to make their points from the floor, luckily picked out at random.

Head and shoulders above them all was the principal dame, the glowingly efficient and disinterested Kirsty Wark. She sat at centre stage pulling the strings, surrounded by as many cameras as politicians and was equally in command of both.

A make-up man called Graham was called on at the last moment to brush her hair into place a few minutes before the cameras rolled. The four other characters on stage missed out on similar attention. A wolf whistle from the audience inspired a disdainful smile as she was attended to, already confident that the audience was eating out of her hand.

Kirsty, stopwatch ticking and earpiece crackling, directed last night's events with superb aplomb, giving the impression that if she was running the country at least the trains would run on time.

She prodded each politician into action and cut them short on cue while — something that will not be shown on television tomorrow — keeping a professional eye on the audience, using a combination of hand gestures and stage whispers to guide microphone providers along the aisles to selected random questioners. And still she had the wit to throw in the occasional pertinent comment to wrong-foot a speaker in danger of wandering off into waffle. "Yes or no," she chided and although the

Ravenscraig, the poll tax, Trident, the health service, privatisation, British Rail, the Queen, were all tossed into the air and expertly juggled. Even an Englishman was allowed to ask a question.

The debate went out live on radio to a nation that was last given the chance to decide its constitutional future 13 years ago. The answer then was yes, maybe. The result was no change.

The challenge in the Time to Choose slogan was quite deliberate, and designed to open up the public discussion on the future government of Scotland. "At the very least you should, by the end of the evening, be better informed," Magnus Linklater wrote hopefully, but the better informed who emerged had only learned how politicians can be so disgustingly polite while accusing each other of ruining the country.

After ninety all-action minutes Kirsty turned from the audience to the camera and pronounced: "This has been the largest political business for a long time."

"The constitution may not yet be broken but on last night's evidence there are plenty of people ready to fix it. The whole point of the exercise was to let them lay out their plans and make their choice.

no they didn't

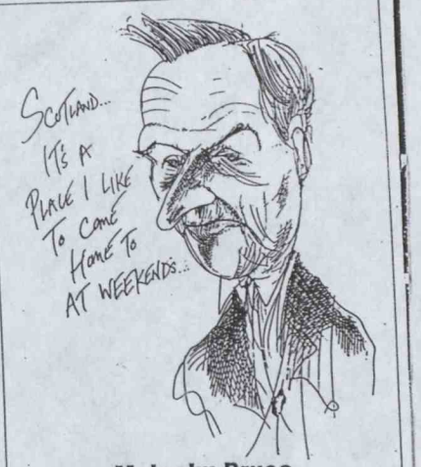
Ian Lang

'I start from the premise of Scotland having prospered under the union. For 300 years Scotland has flowered and flourished."

"For every £4 the government spends in England it spends £5 in Scotland."

"Scotland's greatest days have been since the Union. Our greatest economic growth and cultural flowering have been in the last 300 years. I do not believe that peole in Scotland want to turn their backs on 300 years of history. They do not want to turn their backs on what has been achieved. They do not want to embark on a journey to an unknown destination."

Performance rating; clapometer 7 secs, valiant in the face of adversity, overall 5/10.



Malcolm Bruce

'The government is woefully out of touch with the wishes and views of the people of Scotland.'

'Did Scotland vote for the poll tax? No. Did Scotland vote for opt out hospitals? No. Did Scotland vote for compulsory testing in our primary schools? No.'

'The status quo is not an option. Ian Lang is out to persuade you otherwise — he offers nothing else. He will fail. How can it be right that the £12bn voted to the Scottish Office should be under the exclusive control of Ian Lang and his colleagues? Their policies . . . have been overwhelmingly and consistently rejected by a clear majority of the people of Scotland.'

Performance rating: clapometer 11 secs, a dormouse performance with the occasional roar, overall 7/10.

DEBATE

The Liberal Democrat leader, Malcolm Bruce, scored a hit with his observation that: "Lang says that if Scotland votes for separation it can have it. But if it votes for reform, it can't. Where's the democracy in that."

The format of the debate, chaired by BBC's Kirsty Wark, allowed for a questions from the floor which caused the brightest sparks to fly.

Salmond listed the issues which he believed a Scottish parliament would have taken an entirely different line in priority from the Tory governments of the last 13 years such as Trident, nuclear dumping and saving the Scottish steel industry. He asked whether the Labour party, in the majority in Scotland for all that time had saved one Scottish industry.

Donald Dewar insisted the parliament the Labour government would deliver, based on the work of the Constitutional Convention, would be the most fundamental change to the constitution in the last 300 years. It was his judgment that the overall interests of Scotland would be best served by retaining the links with Westminster for foreign and fiscal policy and to strengthen the Scottish voice in Europe.

£12bn and impose policies such as the poll tax and NHS opt-outs that were clearly rejected by the Scottish voters.

Ian Lang believed that a Scottish Assembly was not a bolt on extra to the UK constituution. It would destroy the integrity of the UK system while there was no equivalent devolution in other parts of the country and no interest in having it.

THE GLASGOW HERALD

20 JAN 1992

Labour maintains poll lead

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By KIRSTY SCOTT

LABOUR continues to stay several rungs ahead of its rivals on the Scottish political ladder with a 23 point lead over the Conservatives in a new opinion poll published today.

The Mori poll for the Scottish Sun — the paper's first — puts Labour far ahead of the field with 47% of the vote — almost double the 24% support for the Tories, in second place. The Scottish National Party is third with 20%, while the Liberal Democrats are trailing at 7%.

The pre-Ravenscraig poll findings echo those of a System Three poll in the Glasgow Herald last week. That poll put the Tories and Nationalists neck and neck, with 21% each.

Labour welcomed the results, which put them five points ahead of their 1987 General Election performance.

Spokesman Murray Elder said it was further confirmation of the party's strong position going into an election.

"Along with the two national polls showing us ahead they simply clarify that we are on course to form the next Government," he said.

The SNP is ahead of its General Election level, where it scored 14%, while the Democrats are well down on the 19% achieved by the then Liberal-SDP Alliance.

A Scottish Liberal Democrat spokesman said polls tended to underestimate their support and the findings would not put them off.

SNP industry spokesman Iain Lawson said the findings had been overtaken by recent events.

"I think any polls taken prior to the events of the last fortnight are unlikely to reflect the current state of the political situation in Scotland."

A spokesman for the Scottish Conservatives said they were encouraged by the results which showed consistent support for the party in recent surveys. The Tories' 24% figure matches exactly their election performance.

11

The Daily Telegraph

20 JAN 1992

Lang dubbed for bravery fails to stem the tide

MR IAN LANG was elevated to the peerage on Saturday night, but it was a honour he did not relish.

For the title, Lord Lang of Galloway, was bestowed upon him by the leader of the Scottish National Party, Mr Alex Salmond, in a broad hint that the Scottish Secretary may lose his seat in the election.

With a majority of more than 3,000, Mr Lang may well hold on at Galloway and Upper Nithsdale but he will be grateful that few of the 2,500 people at the Usher Hall for Saturday's debate on the future of Scottish government are his among his constituents.

The audience was hostile from the first and agreeing to speak in front of so many angry Scots might have been thought a brave thing to do. But then again he is the Scottish Secretary.

At first the hostility was muted: a few cries of "resign" as he rose to speak and the odd muffled boo. But as the evening progressed discontent with his performance became more obvious and he began to resemble the little Dutch boy of legend who tried to prevent a flood by sticking his finger in the dyke.

His flawed management became increasingly urgent until at the end of the evening he was washed away in a tide of resentment and booed so loudly that his final comments were inaudible.

It was not what he had

DEBATE SKETCH

By Robert Shrimsley

planned. Mr Lang began the evening trying to play Horatius. Determined to defend the union, almost singlehandedly, against "fearful odds", he drew applause from some supporters but organisers admitted that each political party had been given 100 tickets to give to members.

Mr Lang retained his composure throughout and put his case convincingly. It was simply that few wanted to hear it and he endured sarcastic jeers when he told the audience that he had come as much to listen as to speak.

This was a comment which drew the acidic response from Donald Dewar: "I can believe having listened to the debate that Ian Lang came to listen and not to contribute. By going into the next election supporting the status quo he has sidelined himself and his party from the national debate.

Mr Dewar himself was to suffer a similar fate moments later as he was slow handclapped and jeered by the hundreds of Scottish Nationalists who seemed to have been quickest off the mark in sending in their ticket applications.

With such a friendly audience Mr Salmond would have received an ovation if he had read out the football scores but he had seen what most wanted to here and duly waded into the Scottish Secretary: "There's none so deaf as those won't hear."

His message remained clear. The Scottish people "allowed themselves to be psyched out in 1979" in a devolution referendum and they must not allow it to happen again.

The most solid of the four was Malcolm Bruce whose understated but firm performance impressed many. Like Mr Dewar he favoured a devolved Scottish parliament though he admitted that "if the Scottish people want independence they should have it".

He was frequently applauded and not once jeered even when he accused Mr Salmond of belonging to the "with one bound you will be free" school of politics.

Perhaps his one lapse was on a soft question from the floor which caught the panelists off-guard. Asked by Mr William Anderson, what Scotland meant to him, Mr Bruce replied simply "home".

It seemed a perfect answer. Mr Bruce stopped and seemed to have finished but then he added a line which may well return to haunt him: "Scotland is a country where I always like to come back every weekend."

It was a boisterous debate throughout with the audience showing no greater respect for questioners than for the politicians.

Sun

20 JAN 1992

LANG SLAMS ROWDIES

SHOCKED Scots Secretary Ian Lang last night hit back at hecklers who shouted him down during a stormy political debate.

Lang was booed and jeered by hundreds of SNP supporters who packed Edinburgh's Usher Hall on Saturday night.

Labour's Donald Dewar was also barracked as the four Scottish party leaders slugged it out in a forum on the future of Scotland which will be screened on BBC Scotland tonight.

There were roars of applause as SNP chief Alex Salmond scored points.

Mr Lang claimed last night that he made his point despite the jeers. He said: "They were far rougher on Labour than they were on me.

"It was clear there were many more supporters of other parties than there were Conservatives.

"But I felt that I got my message across fairly clearly about the hazards and uncertainties of Labour's tax raising assembly plans."

Scottish Labour Party secretary Murray Elder said: "I suspect the nationalists got more people into the hall."

But SNP leader Alex Salmond said yesterday: "There is genuine anger that the Labour party failed to defend Scotland against the Tories."

Sun Says – Page Six

(MON) 10. 10'92 12:30 / NO. 3080632675 P. 57

SEE OVER 11

The Guardian 20 JAN 1992

Scorn for politicians as Scots independence still tops bill

Peter Hetherington

FIGHTING to be heard against a chorus of boos and cries of "resign", a beleaguered Scottish Secretary painted a nightmarish picture of a nation on the brink of disaster.

With opinion polls showing that around 40 per cent of Scots want to break with Britain, Ian Lang at times displayed the resignation of a politician making a last stand for a lost cause before a largely hostile audience.

It was a humiliating experience for a cabinet minister, battling for survival, whose party was pushed into third place in Scotland behind the Liberal Democrats after November's Kincardine byelection.

They laughed when he claimed that Scotland flowered and flourished under the 285-year-old union; cheered as he warned that opposition home rule plans would blow a hole in Britain, and jeered when he asserted that Scots could end up as second class citizens, facing rancour and disunity in the abyss of separation.

Donald Dewar, the shadow Scottish secretary, was given an equally uncomfortable time by the howling hundreds when he advocated strong self-government — "reform not secession" — built on Scotland's continuing place in the United Kingdom.

Billed as the biggest hustings meeting held in Scotland, the grand debate at the weekend attended by 2,500 in Edinburgh's Usher Hall, and broadcast live on BBC Radio Scotland, exceeded all expectations.

It was entitled, Scotland — A Time To Choose, and the organisers, the Scotsman, could have filled the hall three times over.

"The debate will grow in intensity to the election and beyond," declared Magnus Linklater, the paper's editor.

Mr Lang was soon put on the spot. "I hope we will never again hear a Tory Secretary of State say there is no interest in the constitution," said Alex Salmond, Scottish National Party leader, as his supporters demonstrated the organisational skills for which the party is renowned. They had gained the largest block of tickets.

"I freely concede that if the 'clapometer' was going to decide anything then Alex Salmond would win the Eurovision song contest," observed a restless Mr Dewar amid a verbal barrage.

Drawing a little comfort from an audience weighed in favour of independence, he had to endure an onslaught from Mr Salmond and Mr Lang — representing parties who wanted to polarise the argument "between separatism and the status quo", according to Mr Dewar.

The shadow Scottish secretary had a delicate course to steer — balancing Mr Lang's assertion that Scotland would face an outflow of capital under self-government, with Mr Salmond's claim that Labour only offered the Scots a "Plasticine parliament" with the form but

FROM OVER 11

The Guardian

20 JAN 1992

not the substance of power.

Under the calm authority of the BBC's Kirsty Wark, all three and Malcolm Bruce, of the Liberal Democrats, were allowed a five-minute introductory speech before facing questions from one another.

First Mr Salmond, advocating the SNP's policy of "independence within the European Community", to resounding applause: "No one, but no one, will make a better job of running Scotland than the people who live here.

"Government by remote control ... has been a failure ... devolution has a fatal flaw. It has to be granted by Westminister ... we are expected to cross our fingers and hope that people south of Birmingham are voting for a Scottish parliament."

Then Donald Dewar, to jeers: "Everyone in this hall can think of policies, offensive, unnecessary ... which have been imposed by a government that does not reflect Scottish opinion.

"The problems of recession and unemployment cannot be solved by a form of economic isolation. They must be tackled on a co-operative basis by the UK as a whole."

Mr Bruce was more belligerent, accusing Mr Lang of tyranny and dictatorial ambition, after claiming that the Government had been wilfully out of touch with the wishes and aspirations of the Scots.

"Ian has only one valid role [here] — to justify his own power.

"Offering no alternatives to the status quo, he has no credible right to criticise those who have," said Mr Bruce

He argued forcefully against separation, but conceded: "If the people of Scotland want independence they should have it."

Mr Lang, to laughter, said: "We are here tonight because we care about Scotland's future ... Scotland prospered under the union for 300 years.

"I can see as clearly as the next man that Westminster has less appeal than it has in the past but we should respond to that within the integrity of the union."

He offered the vaguest hint of talks on Scotland's constitutional position, but no new initiative.

During question time, a woman asked: "What are his suggestions for change. We already had a [1979] referendum. The Conservatives told us if we voted 'no' they would give us something better. It has not happened. What will they give us this time?"

Mr Lang was able to count on a little support. A man spoke of the folly of dissolving the union: "It would lead to the end of Westminster as we know it and, in turn, the disintegration of the UK."

After two hours, tempers were strained but Mr Bruce seemed to capture the mood. "The Conservative Party cannot resist the tide," he said. Like it or not, self-government beckoned, and soon.

Leader comment, page 24

FROM OVER 11

Press and Journal 20 JAN 1992

Labour out in front in Scotland

□ DAVID PERRY
Chief political correspondent

UP TO 20 assemblymen or women could represent the North-east, Highlands and Islands in an Edinburgh Parliament under a Scottish home rule bill being published by the Liberal Democrats today.

The bill, promoted by party spokesman Mr Menzies Campbell, will also give the Parliament power to vary income tax up (or down) by up to 3p in the pound either way.

It follows Saturday's Great Devolution Debate in Edinburgh when Scottish Secretary Mr Ian Lang faced jeering over his defence of the Union.

The 2½-hour debate also featured Shadow Scottish Secretary Mr Donald Dewar, Scottish National Party Leader Mr Alex Salmond and Scottish Liberal Democrat Leader Mr Malcolm Bruce.

Mr Lang's only concession to constitutional reform was to offer talks — with an "unshakeable" commitment to the Union a precondition.

> "We're not represented in Europe, but misrepresented. But it's our inescapable responsibility to do something about it"
> —ALEX SALMOND

Today's bill is expected to put into legislative form proposals endorsed by the Constitutional Convention, and to create an electoral commission to devise the multi-member seats on which the first elections would be based, with provision for 75-125 seats.

This would allow, for example, the possibility of an Aberdeen constituency with four or five MPs covering Aberdeen North and South, Gordon, Kincardine and Deeside, elected by the single transferable vote system.

The proposed commission would decide which groups of seats should be joined together and how to make a workable system in areas of the Highlands and Islands with sparse polulations.

The bill is expected to lay down the method of subsequent elections to be decided by the first Parliament.

Varying income tax would be the sole tax-raising power.

The proposed legislation has no chance of progressing through Parliament, but Mr Campbell, MP for North-east Fife, said: "We will make it part of our campaign.

"The purpose of this bill is to show Parliament that a credible scheme for home rule for Scotland is not only capable of being achieved but has been put forward in a form which the Westminster Parliament knows and understands."

In Saturday's Debate, Mr Lang's defence of the Union won him little support from a crowd of 2,500.

He offered talks with opponents on unspecified constitutional improvements, provided they first offered an "unshakeable" commitment to the union with England.

Mr Lang said Scotland got a good financial deal out of the system, receiving more public spending than could be justified on a population ratio.

A devolutionary Scottish Parliament would lead to pressure to cut Scottish representation at Westminster, he said.

The Tories argue Labour's plans would make Scotland the most highly-taxed part of Britain, could lead to the break-up of the UK.

Inadequate

The nationalists, arguing for full independence, oppose devolution as an inadequate substitute.

Labour has gone much further than its 1979 proposals. It is offering a law-making assembly with control of a wide range of domestic affairs.

But the plan was derided by Mr Salmond as a "plasticine Parliament" with the form but not the substance of power.

Arguing the case for full-blown independence within the EC, Mr Salmond said: "Scotland isn't being governed. We're being misgoverned.

"We're not represented in Europe, but misrepresented. But it's our inescapable responsibility to do something about it."

Offensive

Mr Dewar attacked "offensive, unnecessary and counter-productive" Government policies. He denied devolution was a compromise, and defended its tax-raising powers.

"I know of no Parliament that does not have such a power and I cannot understand why, in the view of the Ian Langs of this world, the Scots uniquely cannot be trusted with such power," he said.

A similar line was taken by Mr Bruce.

"If the people of Scotland want independence, they should have it. However, we do not believe most people want it or that it is the best deal," he said.

LABOUR is maintaining its huge electoral dominance in Scotland with a 23% lead over the Tories, an opinion poll indicated yesterday.

The Mori poll put Labour far ahead of the field with 47% of the vote — almost double the 24% support for the Tories, in second place.

The Scottish National Party is chasing the Tories hard at 20%, while the Democrats trail badly at 7%, the poll suggested.

On those figures, Labour is ahead even of its 1987 general election performance, when it won 50 Scottish seats with 42% of the vote.

For the Tories, the figure matches exactly the party's election performance, when it got 24% of the vote and saw its number of Scottish seats halved.

The SNP is ahead of its general election level, where it scored 14%, while the Democrats are well down on the 19% achieved by the then Liberal-SDP Alliance.

The poll was carried out by interviews in 55 constituencies on January 6 and 7 — before the announcement of the closure of the Ravenscraig steelworks.

The findings for Labour are identical to a System Three poll last week.

That poll, however, put the Tories and SNP neck-and-neck with 21% each.

SEE OVER 11

Press and Journal

20 JAN 1992

Scots home rule bill aims for tax powers

11

THE GLASGOW HERALD

20 JAN 19

BBC under attack over lack of devolution planning

THE devolution debate widened yesterday to include broadcasting, with opposition parties criticising the BBC over its lack of contingency plans to cover a devolved parliament. Mr John McCormick takes over today as Controller of BBC Scotland with no apparent plans on how the corporation will cope with a Scottish parliament.

Mr McCormick, a former schoolteacher and secretary of the BBC, inherits a bare policy cupboard from his predecessor, Mr Pat Chalmers, who left last year to head BBC World Television in Hong Kong.

Yesterday the Scottish National Party accused the BBC of being caught with its broadcasting pants down.

Mr Neil MacCormick, (no relation) Regius Professor of Law at Edinburgh University and a former member of the Broadcasting Council for Scotland — the corporation's public watchdog — said: "While I am not criticising my namesake's personal abilities, I would advise him, as an old friend, to at least set up a working party at Queen Margaret Drive to examine what the corporation will need to do in the increasingly likely event of a Scottish parliament."

Mr MacCormick, who is also SNP candidate for Argyll and Bute, added: "To have, as at present, no contingency plans is extremely foolish." A spokesman at BBC Scotland headquarters in Glasgow, yesterday confirmed: "We have no official policies on broadcasting in the light of either devolution or independence.

"It has not been discussed in any formal sense."

The issue is also high on the agenda for the Labour Party's Scottish conference in Edinburgh in March, when Edinburgh MP Alistair Darling and his colleague Brian Wilson, Shadow home affairs spokesman, will move their joint policy paper on broadcasting under a Scottish parliament.

Mr Wilson said: "BBC Scotland should without doubt have some ideas over what it is going to do to cover a Scottish Assembly. It is both inevitable and desirable that the corporation north of the Border reflects the political realities and diversity of opinions, between Edinburgh and Westminster."

Key issues facing BBC Scotland include where and on which channel to air its TV coverage of a Scottish parliament; would London-controlled BBC 2 agree to take it; how would it cope with potential clashes between Question Times in Edinburgh and Westminster, and how are additional staffing resources going to be paid for.

THE GLASGOW HERALD

FROM OVER 11

20 JAN 1992

Yet even with the sublimely-efficient Kirsty Wark to direct and cajole, the participants raised their heads above the parapet only to snipe. The "vision thing", as President Bush calls it, did not intrude.

Afterwards reporters tried to decide if anything new had been said. BBC Scotland, broadcasting the event, put it about that Mr Lang had conceded he may now discuss constitutional reform. Up to a point, Lord Copper.

"I'm not here tonight to defend the status quo as though everything was perfect," said the Scottish Secretary, amid unkind laughter.

"I can see as clearly as the next man that for many Scots Westminster has less appeal at present than it has had at some times in the past. But I believe that we should seek to respond to that feeling within the integrity of the United Kingdom and I want to create a consensus for the Union as a background to considering any change that might be necessary."

Under questioning, he made a stab at clarity: "What I'm trying to establish tonight is the extent to which there is a consensus for the Union which includes the Liberal Democrats and the Labour Party."

Mr Dewar, anxious to give his opposite number "the chance to say something interesting", demanded to know what his ideas were. The oracle spoke: "There are ... mechanisms that can be explored and can be developed. I am willing to sit down with you and with other party leaders to explore those ways. But w want from you is a commitr an absolute, unshakable mitment, to the future of Union."

If that was Tory code "Yes, I surrender", no could crack it. The conder man had made a hearty me it.

Earlier Mr Salmond, wit name first out of the ha speak, had known which tons to press. "Scotland being governed; we're being governed. We're not represe in Europe; we're misreprese in Europe," he said.

Let off the leash to cross amine. Mr Dewar demand categorical assurance from SNP that they would suppo Labour Assembly Bill. The swer — I paraphrase — "only if we really have to".

explore those ways. But what I want from you is a commitment, an absolute, unshakable commitment, to the future of the Union."

If that was Tory code for "Yes, I surrender", no-one could crack it. The condemned man had made a hearty meal of it.

Earlier Mr Salmond, with his name first out of the hat to speak, had known which buttons to press. "Scotland isn't being governed; we're being misgoverned. We're not represented in Europe; we're misrepresented in Europe," he said.

Let off the leash to cross-examine, Mr Dewar demanded a categorical assurance from the SNP that they would support a Labour Assembly Bill. The answer — I paraphrase — was "only if we really have to".

Mr Lang, with the air of someone making bricks from straw, asked the SNP leader if devolution offered a stable form of government, or did he see it as the first step towards independence? Mr Salmond wasn't biting.

Mr Lang persisted: "If you do see (devolution) as the first step towards independence, would you advise people who don't want independence not to vote for an Assembly?"

"What you don't seem to acknowledge," Mr Salmond replied, "is that the status quo is not a stable form of government for Scotland."

Mr Dewar opened with a swipe at the SNP claque. The Nats in the audience gave, derisively, as good as they got when he said that "what the Labour Party offers is the greatest change to the constitution for 300 years".

He was undeterred: "The convention scheme on which Labour's legislation will be based is built squarely on Scotland's continuing place in the United Kingdom and our links with the rest of the country. It is reform, it is not secession."

Mr Lang, running out of straw, never mind bricks, asked his Shadow how Labour's policy differed from independence. Mr Dewar swatted him off. Mr Salmond, whose relationship with the Shadow Scottish Secretary might best be described as frigid, asked how many industries Labour had saved after winning elections in Scotland for 13 years. "Pass!" shouted an SNP wag. Labour has stuck to its task, Mr Dewar retorted.

Speaking for the Lib Dems, Mr Bruce argued that "the convention proposes a modern parliament that would put Westminster to shame". Judging by the mood of the crowd, that wouldn't be hard. But his was one of the best performances of the night, only faltering when asked about the prospect of an electoral pact with the Tories.

Given their head, the audience raked the stage with questions. Steel, education, the Queen, Labour's plans if it lost the election (no answer to that one), taxes, What Scotland Means to You: the sophistication of some of it did the MPs no favours.

But as politics the evening was poor stuff. As theatre it probably had the edge on Aladdin, still playing up the road at the King's. Then again, no-one at the Usher Hall seemed to own a magic lamp.

SEE OVER 11

THE GLASGOW HERALD

20 JAN 1992

So which party has the magic lamp?

SCOTLAND: A TIME TO CHOOSE

By IAN BELL

IF packing a hall were all it took to win elections the SNP would be in power this morning. If giving straight answers were the yardstick, the leaders of Scotland's four main parties would be forming an orderly queue at the JobCentre.

It was probably too much to hope that the prospect of capturing 2500 Scottish voters in Edinburgh's august Usher Hall on Saturday night would bring on an attack of frankness in Ian Lang, Donald Dewar, Alex Salmond, or Malcolm Bruce. It's difficult to face the public when you're watching your back.

But the debate — Scotland: A Time to Choose — organised by the Scotsman — was less remarkable for what the politicians said than for the audience's relish at having them in its sights. Traditional public meetings, catcalls, heckling, claques and all, are supposed to be obsolete. Only, it seems, because the professionals prefer to avoid them.

The SNP knew what they were about. Their supporters were vocal enough to make it sound as though Salmond had won the debate before he reached the rostrum. Ian Lang, booed to the echo, grinned thinly and bore it. Donald Dewar, barely more welcome, seemed a mite irritable. Malcolm Bruce performed the old Liberal trick of behaving like the only sane man in the nuthouse.

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no interest in the constitutional question."

Though both Mr Lang and Mr Dewar were given a tough time by the nationalist faction, Mr Dewar managed to nudge Mr Lang further towards offering ideas for political reform, though it was clear these would fall short of a Scottish parliament.

Mr Lang, having admitted that the public holds Westminster in low esteem, said that the establishment of the Scottish Office 100 years ago, and the development of select committees showed how the system could be changed.

"There are further mechanisms that can be explored and can be developed. I am willing to sit down with you and other party leaders and explore those ways. But what I want from you is a commitment, an absolute unshakeable commitment to the Union, because unless we have that in common between us we will never find a stable solution."

He warned that his opponents were proposing a path of great hazard by dividing sovereignty and splitting off a part of that sovereignty for Scotland. "You cannot do that without blowing a hole in the integrity of the United Kingdom," he said.

Mr Salmond, though deriding Labour and Liberal Democrat plans as offering an inadequate "plasticine" parliament, said that if the SNP was not successful at the next election, it may vote for a devolutionary scheme.

But he added: "In any election for such an assembly, the SNP will put forward our platform of independence in Europe. The days when the SNP argued for somebody else's policy are over."

Malcolm Bruce, the Scottish Liberal Democrat leader, struck a rapport with the audience by using the language of nationalism, but distanced himself from the SNP by stressing his party's flexibility.

"We will not allow the opportunity to have a democratic Scottish parliament to be lost because we are a purist party that cannot compromise with other people. That is fundamentally the difference between our party and the other two parties

But both he and Mr Dewar rounded on Mr Lang for failing to offer any concrete proposals for reform. Mr Dewar said it was "genuinely depressing" that "when challenged again and again he has not been able to give any sort of indication about what kind of constitutional change he would want."

Mr Bruce yesterday also condemned the Scottish Secretary for "appearing to lack any ideas".

But last night Mr Lang insisted: "I certainly do have some ideas and more importantly there are some issues which have not been properly explored and ought to be explored before the other parties are committed to more extreme and dangerous proposals."

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Lang offer on devolution

By Peter Jones
Scottish Political Editor

AMID a rumbustious night of debate in Edinburgh's Usher Hall on Scotland's political future, an offer of talks on improvements to the UK political system was wrung from the Scottish Secretary, Ian Lang, by the shadow Scottish secretary, Donald Dewar.

But last night, as Mr Lang insisted, against opposition disbelief, that he had ideas to explore, the prospect of such talks was remote. It emerged that even the four parliamentary debates in the Scottish Grand Committee on constitutional reform plans due to take place next month are increasingly unlikely to happen.

It is understood that in spite of a number of meetings between political leaders, no agenda has been agreed. It is believed that the Government wants the debates to focus on opposition proposals, while the opposition want to focus on the present system of government, and no compromise is on the horizon.

However Saturday's public debate on constitutional reform, organised by *The Scotsman* and to be broadcast by BBC TV Scotland tonight, brought political public meetings back into fashion as the 2,500-strong audience booed, cheered, heckled the politicians, but also listened to what they had to say.

Expertly chaired by the television presenter Kirsty Wark, the debate was broadcast live on radio to hundreds of thousands of voters. Already it looks set to have pushed the issue of constitutional change to the fore of the general election campaign in Scotland.

The audience, which listened to two and a half hours of debate under hot television lights without showing any signs of flagging, left in high spirits, with many asking for more such public opportunities to debate. They had started queuing a full hour before the start.

Inside the hall, the debate was first introduced by the Editor of *The Scotsman* Magnus Linklater, who then handed over to Ms Wark. She gave each speaker the chance to make an opening statement, and they were then cross-examined by the other three panellists. Roving microphones then picked up questions from the audience.

These revealed that Mr Lang has not ruled out the possibility of a constitutional referendum, while cross-examination of the Scottish National Party leader, Alex Salmond, forced a pledge to vote for, but not campaign for, a devolved Scottish parliament.

A vocal and highly partisan nationalist section of the audience cheered Alex Salmond to the roof-tops, but did not prevent the arguments from all four participants being heard. There were roars of approval when Mr Salmond opened by asserting: "I hope that we never again hear a Tory secretary of state say that there is

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BOOING greeted the shadow Scottish secretary, Donald Dewar, when he rose to make his opening comments. It confirmed his fears that the audience would be packed with Scottish National Party supporters.

He could not conceal his irritation, but made the best of it with a joke: "I freely concede that if a clapometer was going to decide anything, then Alex Salmond would win the Eurovision song contest tonight."

However, he looked glum for much of the debate and, in his winding up speech, he again let his annoyance show when confronted by slow handclapping. "I think that it is interesting that this audience is taking a very strong line, undoubtedly.

"It is, perhaps, worth reminding people, therefore, that in the current opinion polls, which I think broadly reflect Scottish opinion the Nationalists are standing at 21 per cent and the Labour Party at 47 per cent."

Before the debate began, Dewar would have been many observers' choice as the one to emerge best from the evening, given his background in the hard school of Glasgow University debates and his sharp performances at the Commons dispatch box. But, though he demonstrated his pedigree in flourishes throughout the debate and overall won more applause than he did abuse, he failed to match his own usual high standard.

Dewar, in his opening speech, set out his party's plans for a Scottish Parliament. He said: "What the Labour Party offers is the greatest fundamental change to the Constitution for 300 years." This brought isolated cries of "rubbish".

Critics often rounded on the fact that a Scottish Parliament would have tax-raising powers, he said. "I know of no parliament that does not have such a power and I cannot understand why, in the view of the Ian Langs of this world, the Scots uniquely cannot be trusted with such a power."

The Scottish National Party leader, Alex Salmond, though referring to Dewar as "Donald", adopted a street-fighting approach in the cross-examination. In spite of Labour having come out of the 1987 election with 50 MPs, could Donald name one industry he had succeeded in saving?

A heckler shouted at Dewar, "Pass". Dewar said: "I will not pass. Labour has argued Scotland's case consistently, we have argued the democratic case with vigour and effectively."

Salmond followed up with another awkward question, asking whether Dewar supported Labour's push at UK level to have the European monetary body, Eurofed, based in London rather than Edinburgh.

Dewar replied: "I believe that Eurofed should come to the United Kingdom and when it comes to the United Kingdom, I hope that we benefit from it in Scotland and get jobs from it in Scotland."

Dewar was at his most eloquent when he was asked what being a Scot meant to him. "I am a Scot. Its traditions, its heritage, its literature, has made and moulded me. I live within the Scottish community. I have never as a politician wanted to operate outwith it. If I have an ambition as a politician, it is to be Secetary of State for Scotland and nothing else."

Although he gave lengthy replies to many of the questions, making the full use of the platform, he avoided one of the key questions. What would happen if after the election the Conservatives win at UK level but do badly in Scotland? Dewar said he did not intend speculating as Labour intended to win the election.

IAN LANG

'We have a strong place as of right in the United Kingdom parliament . . . don't let us take the risk of destroying it'

In his wind-up speech, Dewar said that "having listened to the debate, Ian Lang came to listen and not contribute. I think it is genuinely depressing that we have had so much talk from him in the past about an open mind, about new ideas and about what may emerge, and yet when challenged again and again he has not given any sort of indication of what kind of constitutional change he would want."

He then turned to the SNP. "They underestimate the dislocation that would inevitably come from a political distancing from a market that will remain of enormous economic important to us, when you look at the problems of disentangling from the various systems whether it be transport, or social security." This produced a slow handclap.

But he won applause when he concluded: "My challenge tonight to Scottish people is that if you share our commitment to a Scottish Parliament that will have a real control over Scotland's domestic affairs you've got to show that commitment by supporting the only party that can deliver it."

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He continued: "Devolution also has a fatal flaw. It has to be granted by Westminster and therefore needs support not just in Scotland but in England."

In his attacks on the Scottish Secretary Ian Lang, Salmond attempted to counter the Conservative offensive on Scotland's poor economic prospects under a devolved or independent government.

Referring to the 1979 referendum experience, Salmond noted that the Scots had allowed themselves to be psyched out by the warnings of economic failure and high taxation.

Scotland was fully capable of surviving on its own he said. Already, statistics show that Scotland exports more per head of the population than Japan and supplies £340 extra per person to the Exchequer than England and Wales.

One of the trickiest questions came from a proud Conservative supporter from Edinburgh Central who asked what role the Queen would have in an independent Scotland. Despite his supporters' obvious desire for a staunchly, republican declaration, Salmond set out a policy position designed to attract the broadest electoral support with the Queen remaining head of state in an independent Scotland in line with her relationship to Australia and Canada.

"I CAN see as clearly as the next man," said the Scottish Secretary Ian Lang, "that for many people in Scotland, Westminster has less appeal at present than it has had at some times in the past." But he added: "I believe that we should seek to respond to that feeling within the integrity of the United Kingdom."

Occasionally struggling to make himself heard amongst eruptions of booing, but in general sticking doggedly to his defence of the Union, Lang denied that he was present simply to defend the status quo. He declared that he saw the Union between Scotland and England as organic, vibrant and growing, saying: "I want to create a consensus for the Union as a background for considering any change that might be necessary."

"But at present the UK government spends on our essential services, like housing, education, health, some quarter more per head than in England," he claimed, eliciting shouts of "lies" from the hall.

Quoting a leading article from *The Scotsman*, he said there was no dispute that devolution would mean adjusting UK spending patterns. He contended a second parliament would inevitably mean raising taxes in Scotland "creating a border across from Carlisle to Berwick".

He asked: "Where would we stand then in the parliament of the United Kingdom?" "Free", shouted a nationalist. "I believe we would be diminished and we would be undermined," retorted Lang.

To continual barracking, he stubbornly insisted that Scotland would not just lose numbers of MPs, but influence; that Scotland would no longer be an equal partner in the Union: "We would become a second government and second-class citizens."

Devolution, Lang maintained, was not a bolt-on extra but could lead to the "isolation of separation". He added: "If that is the way we want to go as a country, let us at any rate do so with our eyes open.

"We have a strong place as of right in the United Kingdom parliament, let's look at our place there by all means, let's explore ways of making things better for Scotland, but don't let us take the risk of destroying it."

To cheers from the hall, Malcolm Bruce asked Lang what right he had to govern Scotland in defiance of the electorate's wishes. Lang pointed out that 85 per cent of votes at the last election had gone to unionist parties which accepted his right to be Scottish Secretary as part of the elected UK government.

He added that what worried him about Bruce's attitude was that because the other political parties were not in power, "they are attacking not just the Government and its policies, but are choosing to attack the mechanisms of government. Because the game is going against you, you want to plough up the pitch".

Lang claimed that such an approach trivialised constitutional reform which should be looked at in the long-term and not just for short-term advantage.

Dewar told him: "You can't just stand and snipe in the great debate. I want you to tell us now what your ideas are."

But Lang said the debate was about the proposals developed by those who believed the present UK constitution was fatally flawed: "I believe it is vital that before any decision is taken, before any government is elected that might implement those undertakings, that the Scottish people should be fully aware of just what is implied in the setting up of a separate assembly in Scotland with tax-raising powers, and all the threat that brings to our place in the United Kingdom parliament, our power to influence events there and our power to depend on continuing funding of Scotland's needs from the United Kingdom Exchequer. These are crucially important questions and they must be explored and examined."

ALEX SALMOND

'Devolution also has a fatal flaw. It has to be granted by Westminster and therefore needs support . . . in England'

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facing the implacable attitude of this Government to matters of reform. No significant fresh ground was lost or gained, though there was little harm and some good for the devolutionary cause from securing a repeat of the SNP's key commitment to support the parliament bill that would be presented by a victorious Labour government.

The West Lothian question, still not properly confronted, had its teeth drawn on the evening mainly by Malcolm Bruce's assertion that, once assemblies began to appear in England and Wales, Tam Dalyell's 1978 fixation would have no validity. That of course begs a very big question about the disinclination in England and Wales for any such thing, but it was not pursued. Nor did the prospect of higher taxes seem to scare the audience, but then it was not told quite how high those taxes might have to be, or whether indeed they would have to be adjusted at all. Even Ian Lang's insistence that Scottish representation at Westminster would have to be altered failed to ruffle it. His Labour and Liberal Democrat rivals differ on the question. Mr Dewar's present negotiating position is that there should be no reduction, while Mr Bruce is ready to accept that, upon the setting up of a parliament in Edinburgh, some downward adjustment at Westminster would be necessary.

That reduction and the likelihood of higher taxes are the two chief obstacles that the Scottish Secretary places in the way of the devolutionary enterprise. These carry little weight, however, compared with that which would be advanced by any considered alternative that the Tories cared to advance. Given several opportunities on Saturday to set out such plans, Mr Lang failed to do so, though he did hint that he had some suitably appropriate ideas and went some way towards disagreeing with John Major's opposition to the possibility of a referendum. Talks with the other parties he would be ready to pursue, however, only if he secured from them firm commitments to upholding the Union. The offer itself is empty but, comparing it with the position he occupied only six months ago, it becomes clear that he has moved some way towards trying to accommodate the devolutionary wishes.

His shadow disappointed. At the best of times Donald Dewar's style is not suited to mass meetings. And Saturday was not the best of times, beginning with his being heatedly barracked by the Nationalists and ending with his words being drowned by slow handclapping. Malcolm Bruce, in contrast, realised quickly the kind of audience that confronted him and went on the attack immediately.

As a preliminary public skirmish in the election campaign, the debate performed two invaluable services; it made it impossible for the Conservatives to continue to claim that there is no interest in Scotland in constitutional reform and it upset the strategy of the Tories and Nationalists which is to convince the voters that they have only one choice to make in the polling booth — whether to support the Union or seek for independence.

Above all, it showed that political debate in Scotland is alive, well, and ready to be engaged.

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Live on stage: a real political drama

IT was a remarkable event. Not just for the size of the audience, though that was extraordinary enough, but for the palpable reminder it offered that this was how electioneering used to be: politicians facing a large, eager, demanding audience, trading questions, fending off insults, handling vociferous hecklers. Saturday night at the Usher Hall told us more about the men who head Scotland's four principal political parties and the message they have to deliver than many a well-choreographed television discussion.

True, *The Scotsman* debate may not have met the demands of the fastidious drama critic; there was a lack of movement on the stage; the plot had no firm sense of direction; the revelations, important as they were, were not exactly *coups de théâtre*. But for all of that, it was compulsive. From the moment the doors opened, there was an air of anticipation, ticket-holders under the spell cast by a great sense of occasion. Here, in front of an audience of 2,500 and thousands more listening to the radio broadcast, the men charged with offering the nation prescriptions for its constitutional future, were confronted head on by those they are required to convince — the voters. And what an audience! Boisterous, vociferous, demanding, but prepared to listen, to concede good debating points, and to applaud a witty response.

Those who took part may well argue that over the weeks ahead, the election campaign will be played out and decided on television rather than on the hustings like this. But what the Usher Hall debate told us probably comes closer to the reality of politics and politicians than the carefully-weighed response, the "sound-bite", or the staged fencing that so often takes the place of a true exchange of ideas. In that sense it was a watershed event — a unique, genuinely historic affair and totally engrossing.

It would be a mistake, however, to pretend that the audience was a true cross-section of Scottish opinion. The larger part of it consisted of supporters of the Scottish National Party who seemed at one point set on winning the argument simply by preventing their opponents' views being heard. The art of heckling, so much an essential part of the traditional election meeting, was one in which wit and repartee rather than slow handclapping and sustained booing played the major part. But this was an audience that had come to listen too, and the interruptions never obliterated the argument.

The raucousness of the SNP faction contrasted sharply with the polished manner of their leader, Alex Salmond, whose whole demeanour spoke of a man thoroughly convinced of his argument and confident in his ability to overcome his rivals. He appeared to have arrived well-prepared for the occasion and had honed several phrases and questions with which to hold the audience.

It may be that relatively few had gone to the meeting ready to have their mind changed by the sheer force of a competing case. Those who went to learn, however, heard most of the key points of the constitutional debate; those already familiar with them might have discovered the frustrations felt by opposition MPs

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drawing lots backstage for the order of play from a rakishly battered blue hat — the house was full.

There were of course well kent faces in the audience; Mick McGahey, Jean McFadden, Canon Kenyon Wright, Hamish Morrison, Donnie Munro. And each of the four parties had been given 100 tickets to distribute to their faithful. But four fifths of the audience, whatever their electoral loyalties, were there out of keen personal interest.

Ruth Wishart

As the short opening statements began it became clear that Alex Salmond would enjoy the largest personal support from the audience. Cheers for his contribution and mingled boos and heckles for both Dewar and Lang confirmed that this particular cross section of the great Scottish public had a high proportion of vocal Nationalists in their midst. It had too almost every age group, the youngest the most vociferous.

The points were serious, the passion evident, yet there was humour and intermittent bursts of panto. "Did Scotland vote for a poll tax?" queried Malcolm Bruce. "No," roared back the troops. "Did they vote for opt out hospitals?" "NO." "Did they vote for compulsory testing?" "NO!" "Aye," shouted a stalls wag, "and they didnae vote fur Paddy either".

On stage, Kirsty Wark was underlining the class of her act. Simultaneously she was timing and chiding the four party leaders, scanning the audience for questioners and miming their location to the couriers with radio mikes, receiving instructions from the television floor manager, and getting a remote earful from the director of the live radio broadcast. This four-ringed circus she handled with great skill and no little wit.

On stage too the body language of the performers proved sometimes more revealing than their answers. Donald Dewar scribbled himself furious notes, Ian Lang scanned his briefs for deliverance, Malcolm Bruce inclined his body confidentially towards his audience with the air of a rural family doctor offering reassurance that his was not bad medicine. And Alex Salmond, by now well aware that he was enjoying home advantage, would have required serious surgery to remove the smile. Of the four, the SNP convener seemed most at home in an arena for which the points scoring style of the dispatch box or the languid irony of the studio were ill suited.

The audience, somehow contriving not to wilt after three hours in the all embracing sauna of television lights, alternately fanned themselves with programmes and indignation. Would-be inquisitors hung over balconies waving tickets like parliamentary order papers, desperate to catch Kirsty's roving eye. Hundreds of questions had been sent to *The Scotsman*, yet on the night, and in the heat of debate, two thirds of those taken were not on the list of those originally selected.

One which did survive the hurly burly of live encounter asked the contenders to set aside the stock answers and simply state what Scotland meant to them. It was a googly which claimed the wicket of Malcolm Bruce "a nice place to come home to at weekends", (to be fair he meant as a respite from the rigours of Westminster, but it didn't quite come over that way), but it elicited the best response from his Labour opponent, an eloquent resume of Scotland's cultural strengths.

What Scotland clearly meant to those 2,500 members of its public is a politically engrossing country which, when it matters enough, can return with vigour to the days of full-bearted, full-throated participatory debate. Saturday night seemed to indicate, for that audience at least, it was a time to choose change. The result of the general election will tell us what kind.

GUARDIAN - 20/1/92.

The union is not working

THE UNION, declared Alex Salmond, leader of the Scottish National Party, in the closing speech of a passionate two and a half hour debate in Edinburgh on Saturday, had failed the Scottish people. It had not served to make the Scottish economy secure; and it could not even furnish them with the right to elect a government of their own choosing in a free and democratic way. The tumultuous cheers which greeted this declaration were not statistically significant. Clearly far more than a representative proportion of the 2,500 people in the hall (a further 3,500 were disappointed) were there mainly to cheer the case for an independent Scotland. As the Labour spokesman Donald Dewar warned, with an eye on the audience for whom the debate will be screened by BBC Scotland tonight, great issues like this are not decided by clapometer. Just remember, he said, that a recent poll showed 47 per cent in favour of the Labour Party/Scottish Convention option — a Scottish Parliament within the UK — against 26 per cent backing the SNP case for independence within the European Union.

Even so, Alex Salmond's verdict would certainly be endorsed by hundreds of thousands outside the SNP. The overwhelming sense of all recent tests of Scottish opinion is that the union as at present constituted isn't working and is not going to work. In three consecutive elections — with the fear, now, of a fourth — Scotland has rejected the Conservatives only to have them imposed upon it by England's superior polling power. That has brought the thirst for change to a pitch which exceeds the devolution turmoil of the seventies.

The joy of the SNP's position — and one reason why Alex Salmond so dominated this debate — is that its answers are simple. The concept, it says, is finished. Scrap it and start afresh. Not for the SNP the writhing speculations as to how a Scotland with brand new political institutions can be fitted into the framework of a United Kingdom the rest of which, for the moment at least, is unchanged. Yet the parties who wish to repair the union have this advantage. Labour and the Liberal Democrats, working together within the Constitutional Convention (for Scotland, which has long been used to multi-party politics, is far ahead in conducting the sort of politics of accommodation and consensus which England may soon have to learn) have built a position which comes nearer than anyone else's to meeting the present mood. The extent of their accommodation was signalled by the way Donald Dewar and the Scottish Liberal Democrat leader Malcom Bruce used their exchanges on Saturday not to berate each other but to pin down positions on electoral systems already arrived at in the Convention. Paddy Ashdown's insistence that his party has no preference, should the coming election prove indecisive, between working with a Conservative or with a Labour government, sounded decidedly odd in Scotland on Saturday night.

That is not by any means to say that the Labour/Liberal Democrat/Scottish Convention formula is free from serious objections. The role of the Scottish secretary, the over-representation of Scotland at Westminster (illogical now, and quite scandalously illogical if power is to be transferred to Edinburgh), the effects of taxation powers used as they clearly might be to push public spending up on the levels ordained at Westminster, the danger of too much government, the fear of Strathclyde dominance — all these are legitimate matters for continuing challenge and argument. But at least these parties proceed from the understanding that things cannot remain as they are — an understanding, it seems, that is only just beginning to seep into some of the thicker reaches of the Conservative hierarchy. The real victim of Saturday's proceedings was the brave but largely friendless Scottish secretary, Ian Lang. To say that all he could offer was a leaden-footed defence of the status quo would not be entirely fair, in that he kept insisting he was ready to contemplate change. Good constitutions, he argued, evolve. We had seen such evolution in the creation of the Scottish Office, the inclusion of the Scottish Secretary in the Cabinet, the appointments of ministers of state, the introduction of standing and select committees. That could be taken further. He stood ready to discuss such matters with other parties, provided that they established their own commitment to continuing union.

Most of his audience, understandably, found that a bogus position. First, because throughout the evening Mr Lang declined all invitations to expand on his ideas with the dogged determination of one who in truth has no ideas to expand on. The Usher Hall was unfooled. It had not forgotten the pledge that Scotland was given on the eve of the 1979 referendum by no less revered a figure than Sir Alec Douglas-Home. Don't think, he said then, that by voting against the Labour proposition you are shutting the door on greater self-determination: if this structure is rejected, the next Conservative government will come forward with a better one. A succession of Scottish secretaries has had 13 years to honour that promise. None has even tried. And secondly because, in another part of the argument, the Government not only recognises but even exploits the impeccable credentials of Labour and the Liberal Democrats as upholders of the union. Suppose in the coming election, Mr Lang was asked, Conservative representation in Scotland is further reduced, but there is once again a Conservative majority at Westminster: how will you be able to defend this continued frustration of Scotland's intentions? Simple, he said: we need only count the votes for Labour and the Liberal Democrats, as well as our own, and conclude that more people have voted in favour of the union than have voted against it.

In the present climate of Scottish politics, that almost amounts to an incitement to vote SNP as the only way of dealing with a union that isn't working. If we can't repair it, people might very well say, we will have to replace it. Mr Lang accepts that if the SNP were to win a clear majority of seats in Scotland, independence might be inevitable. In one of the sharpest lines of the night, Malcolm Bruce told him: "If Scotland votes for separation, it can have it. But if it votes for reform, it can't. Where's the democracy in that?" Through the convention, Labour and the Liberal Democrats are formally, if partially allied. But in the Usher Hall on Saturday there was also the sense of another implicit, if unintended alliance at work; between those who will not adapt to the repair of the state of the union, and those who are set on breaking it.

Two final notes of regret. One, that while Scotland can watch these proceedings tonight, England and Wales cannot: even though they too are inescapably involved in the outcome. The second, that in an age when the parties prefer the photo-opportunity with the politicians cocooned and the inconvenient plebs kept at a distance, there may be very few meetings in the coming campaign that will come anywhere near to matching this one. Recently in this column we feared that the coming election would be fought on the basis of grudging negativism, devoid of any excitement or even much hope; but we did allow that in Scotland at least politics fought with passion and the sense of great issues being determined was not yet dead. Thanks to the Scotsman's brilliant initiative in staging this debate, that point was triumphantly proved in Edinburgh on Saturday.

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Saturday night and the fervour for change

IT IS just after 6pm on Saturday night; a dreich Scottish January night. A light drizzle punctuates a snell wind and, in pubs up and down Edinburgh's Lothian Road, Scots still in transit from Murrayfield are hoping that further injections of alcohol will dull the pain of another defeat by the auld enemy. Round about them brightly lit restaurants offer cosmopolitan delights, and a popular cinema complex displays a neon invitation to a clutch of new releases. Yet the only queue to be found is at the front door of the Usher Hall. A queue to bag the best unreserved seats for an event still 90 minutes distant.

The Usher Hall in Festival August is no stranger to full houses. Jessye Norman or the St Petersburg Phil will guarantee over-subscription. But it is an astonishing testament to the vibrancy of political debate in Scotland that an old-style hustings should have attracted postal applications for tickets three times more numerous than the 2,500 capacity. With due respect to the four horsemen of the party political Apocalypse, I doubt it was entirely the prospect of a live audience with Messrs Dewar, Lang, Salmond and Bruce which so inflamed the public imagination.

The lure lay in the topic. Nobody present on Saturday evening could ever seriously suggest again that constitutional change for Scotland is a matter of concern only to the classes much given to abstract chattering. When *The Scotsman* ran its first advert offering tickets for this debate, it did so with some trepidation. Wasn't politics now just about television exchanges? Hadn't the public lost the hustings habit?

Even when more than 8,000 letters came demanding tickets there remained the doubt of whether the recipients would follow through on the night. By 6.30 the stalls were full . . . 30 minutes later there wasn't a seat in the grand circle, and "latecomers" arriving with half an hour to spare were directed to the gods. By the time Kirsty Wark performed her first duty of the night —

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that of politicians was to give a lead and warned that too many choices would confuse the electorate.

His position was reinforced by his Convention ally, Donald Dewar, who stressed that the general election was the people's opportunity for a referendum.

Ian Lang, in one of the most politically significant points of the evening, raised the possibility of a referendum remaining an option for the Government: "I think a referendum is something which does have a part in the democratic process . . . in the right circumstances a referendum can never totally be ruled out."

The debate then moved on to the question of what changes to the current system were being considered by the Conservatives.

Lang drew attention to the changes in the system such as the establishment of a Scottish Select Committee which sprang from the 1979 election and indicated that further changes could be made.

WESTMINSTER REPRESENTATION

DONALD DEWAR attempted to take a firm position on one of the most difficult questions facing his party. He commented: "I don't think there is any logic in reducing the number of MPs at Westminster. This is one of the variations of the West Lothian question.

"Even if there was agitation about Scottish representation at Westminster then I don't think it's right and proper to solve it at the expense of abandoning necessary reform. You could do it by looking at the Government of the rest of the UK, and I think that would be a very much more sensible way of doing it.

"But let's concentrate on the immediate problem, the pressing problem the major problem and that's the Westminster question."

As the questioner had to much laughter asked for precise answers, Kirsty Wark summed up his performance by quipping: "One out of ten on the precise stakes."

Ian Lang stressing the pitfalls of devolution stated: "I wouldn't want to see the number of MPs reduced, if we had a tax-raising assembly in Edinburgh we would need all the support we could muster at Westminster.

But he stressed: "The logic and the morality, if the case was pressed by the English and Welsh and the Northern Irish, would be irresistible. We have more than our proportionate share at present and if we went for a Stormont type system we might end up with as few as 40.

He went on to give his own variation of the West Lothian question, saying: "I ask how long would it be tolerable to the English if a Labour government was in power that Robin Cook a Scottish Member of Parliament should have the right to hand down policy for the rest of the UK but not for Scotland?"

Winning laughter from the audience for his active pursuit to cut the numbers of Westminster, Alex Salmond stated: "I think the number of Scottish MPs at Westminster should be zero because there should be an independent, Scottish Parliament in Edinburgh.

"Undoubtedly in the situation of a devolved parliament this would be a running war because the interests of the Conservative Party would be in reducing the number of Scottish MPs at Westminster. The interests of the Labour, and I think this predominates through all their attitudes to devolution, is to sustain the number of MPs at Westminster.

"I think the priority for Scotland is to have an independent parliament with the powers to do the job that's needed in the economic and social life of our country."

Reiterating his party's policy, Malcolm Bruce claimed that in a federal UK there was no reason why we shouldn't have numbers reduced but only after the Scottish Parliament was up and running.

Dale Smith of Kirriemuir asked what actions would the parties take if the Conservatives won again but continued to lose heavily in Scotland.

Alex Salmond indicated his support for a referendum but stressed: "I think it's very important that the people of Scotland realise the one certainty for change is a vote for independence. Everyone concedes, even Ian Lang, even John Major, even Michael Forsyth that a vote for independence will be recognised as such.

"That's why I think it's vitally important that everyone who believes in Scottish independence should exercise their vote for the SNP at the ballot box at the general election."

Donald Dewar claimed his party were going to win the election. But Alex Salmond intervened, saying: "That's what you said at the last three elections."

Dewar retorted: "He can't win, we can." But the honours in the soundbite stakes went to Ian Lang who topped them both with his election forecast: "He can't, he can — but we will.

DEVOLUTION

ASKED if constitutional reform would result in Scotland being overgoverned in comparison with the rest of the UK, Ian Lang seized the opportunity to warn against the unstable nature of a unilateral approach to devolution.

In contrast, Donald Dewar argued that the establishment of a Scottish Parliament would break the constitutional log-jam affecting the rest of the UK.

TORIES' AUTHORITY TO GOVERN

IAN Lang, when faced with a question on the Tories' actions if they were to gain a majority at Westminster when the majority of Scots wanted devolution, refused to speculate on the outcome of the election other than to state his belief that the Conservatives would have more MPs in Scotland than at present.

SEE OVER 11

THE SCOTSMAN

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was, after all, the fault of Sir Bob Scholey and the English.

"Ian Lang," he argued, "said that what's gone wrong with Scottish steel is London control. Donald Dewar said that what's gone wrong with Scottish steel is privatisation under London control. The one consistent feature of both these arguments is London control. Anyone who has watched the conduct of Black Bob Scholey can be under no misgivings whatsoever that nothing is going to be done to save Scottish steel unless these valuable assets are taken out of the hands of a company with no interest but the destruction of the Scottish steel industry."

Earlier, Salmond claimed: "No Scottish government would allow the indigenous steel industry to be deliberately destroyed by a company with no shred of loyalty to the Scottish people."

For Labour, Dewar said he was not prepared to deceive people to say that there was a simple way to deal with the Scottish steel industry's problems. He said he did not believe that the SNP's preference for nationalisation offered any answers. "But what I do believe is that if you have a Scottish Parliament you will have a very different kind of outcome," he said.

Bruce also said there were no easy solutions to the steel industry's problems. The possibility of subsidies was constrained by the UK's membership of the European Coal and Steel community. "What we should do is consolidate the steel industry's assets in Scotland and try to find a buyer to take those over," he said.

ENTRENCHED POWERS

A SHORT foray was made into the area of entrenched powers with a member of the audience questioning how a Westminster parliament which created a Scottish Parliament could be prevented from abolishing it at a later stage?

Malcolm Bruce responded by stressing that the establishment of a Scottish Parliament would involve the transfer of powers in such a way that they would not be able to be handed back.

REFERENDUM

DAVID SPAVEN, of the Scottish Green Party, called for the politicians to support the people of Scotland's right to decide their own future in a referendum.

Malcolm Bruce echoed his party line by stressing that his role and

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flow from setting up a tax-raising assembly that we will drive out the best of our talent and we would reduce investment . . . Business would suffer."

A questioner from the Green Party suggested Scotland had become a branch economy and that numerous multinationals had left the country when inward investment incentives ran out. So, would not Scotland do better to develop local industries?

Malcolm Bruce said he had a lot of sympathy with this view. He said control of Scottish business had drifted away from Scotland and this balance should be redressed.

"What we should be doing is encouraging the creation of more Scottish businesses," he said, adding that the Liberal Democrats were committed to "unscrambling" the privatised monopoly industries like gas and electricity.

Alex Salmond also agreed that the focus of Scottish business policy should be changed. Currently, he said it was entirely based on attracting mobile multinationals to locate in Scotland. "The sort of change I'd like to see is putting all our energy and effort into pushing indigenous Scottish industries into European and world markets," he said.

SCOTTISH PARLIAMENT

ONE of the first questions from the floor came from Mungo Bovey who asked the party leaders to indicate whether they would give up their seats at Westminster to seek election to a Scottish Parliament.

In one of the shortest answers of the evening, Alex Salmond said he would have no hesitation whatsoever in doing so.

Both Donald Dewar and Malcolm Bruce stressed that one of the key purposes of the establishment of a devolved parliament was to draw in and encourage young talented politicians north of the Border.

However, Dewar indicated his desire to be part of a working Scottish Parliament in the key role of Scottish Secretary guiding the development of the Edinburgh legislature and ironing out any difficulties with Westminster.

Bruce stressing his desire for a federal UK government underlined the need for a strong representation at Westminster.

Ian Lang pointedly expressed his determination to remain at Westminster and added: "Westminster is where the really important battles still have to be fought which would otherwise be in very great danger of going by the board."

STEEL

TAKING up the hot topic of the steel industry in Scotland, a questioner, pointing out that the North Sea is the biggest steel market in Europe, argued that the steel industry had been systematically destroyed by British Steel.

Ian Lang disagreed with the widely held view that the Scottish industry's problems were all the fault of of Sir Bob Scholey, the BS chairman.

The oil industry, said Lang, bought steel on an international basis at the most competitive prices it could find. And more competitive prices were available outside Scotland, he claimed.

"It is for British Steel to make its dispositions in order to remain competitive in that difficult global market," he said.

Lang added that he regretted it had not been possible to create a separate Scottish steel industry when BS was privatised.

Alex Salmond had a different view of where the blame lay. It

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THE DEBATE in the Usher Hall was wide-ranging and covered a vast amount of ground as questioners confronted the party leaders with their concerns and challenged them to produce answers to convince.

Throughout the evening two dominant themes emerged. First, the economy, and in particular how a tax-raising Scottish Parliament might affect the pockets of individuals and the climate for business. And second, the political impact of devolution.

TAXATION

THE question of a tax-raising parliament was a central bone of contention. Questioner Fiona Brown suggested to the party leaders that a tax-raising Scottish Parliament would leave Scotland the highest taxed part of the UK and would drive out investment. But Alex Salmond begged to differ and rejected what he described as Ian Lang's tax bogey.

"Obviously," he said, "I wouldn't agree with that. Scotland, as a country which exports more per head of population than Japan, is a country well able to look after itself economically."

Neither did Donald Dewar agree with the questioner. "Of course we are entitled to give tax-raising powers to a Scottish Assembly but the assumption of the questioner and certainly of Ian Lang is that a tax-raising power given to Scots would be used irresponsibly. Edinburgh is an important financial centre and I do not accept that politicians in Edinburgh, politicians elected by Scots, are going to act irresponsibly.

Dewar drew support from the unusual quarter of 10 Downing Street when he quoted John Major, who had said in an interview with *The Scotsman* that an assembly without tax-raising powers would be a "bogus sham".

However, Ian Lang said the issue was not about using taxing powers irresponsibly but about using them at all. "I believe that if Donald Dewar wants these powers for a Scottish assembly he wants them because he wants to use them. That tax burden would be on top of the existing UK tax burden. Now John Smith says it might be 3p in the pound. For a man on average earnings that would be £7 a week. I don't think that's the sort of tax burden we want to impose on the Scottish people."

Lang added: "I believe our ability to exert our authority within a United Kingdom Parliament and to continue to secure for ourselves the kind of resources that our needs justify would be very seriously undermined." These claims were "nonsense", said Salmond. "There is a tremendous awareness that the best favoured area of the UK in terms of spending is the south of England who are the real subsidy junkies of the UK," he said.

BUSINESS

BROADENING the debate, Tom McGregor, organiser of a pro-devolution business lobby said regional parliaments in Europe appeared to have been good for business. Would the panel agree, he asked to loud applause, that a Scottish Parliament would be for Scottish business.

The party leaders thought not. Citing recent surveys and opinion polls, Ian Lang claimed that businesses themselves did not believe that industry would benefit from devolution.

"Over 90 per cent of the CBI survey," he said, "thought it would be bad for business. The Institute of Directors summed up its members' views by saying that if such an assembly were set up with these powers they would move company headquarters out of Scotland. I believe that is a serious threat."

Lang continued: "What concerns me is that it will inevitably

SEE OVER

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The politics of a nation on trial, by popular demand

36

C. Andrew Turnbull

FCS

SECRET AND PERSONAL

PRIME MINISTER

16 January 1992

1 (a-b)

SCOTLAND

I entirely agree with John MacGregor about the nature of the Tory decline in Scotland. The professional and white-collar urban classes are in tune with "respectable" Labour politicians like John Smith. In rural areas, the landed gentry are counter-productive (and politically are chickening-out and running south like Michael Ancram); nationalism grips the rest. Only business, with an eye on taxation, is still traditionally supportive, and does not really operate politically. So the prognosis is gloomy for the Conservatives.

But I do not favour doing anything before the election beyond warning of the dire consequences, economically and constitutionally, of having a tax-raising assembly.

a) To propose such an assembly will not gain you votes. As you would be saying the Scots would have to pay for it in other changes, that is inevitably less attractive to voters than telling them (as the other parties are doing) that they can have their cake and eat it.

b) It would cut right across the anti-tax position you are taking nationally in this campaign, which is your most precious electoral asset.

c) You would be last in the field proposing as assembly; the others would crow and say you were running scared.

b

SECRET AND PERSONAL

d) So it would alienate the residual Tory party in Scotland, without offering you the certainty of gaining any new votes.

e) It would push constitutional change up the news agenda nationally, on an issue where you do not stand to score. There would be lots of national media coverage, all with the sub-text that this was happening because the Tories had failed in Scotland - hardly a great campaign theme.

But what of John MacGregor's point that you need to be prepared for action after the election? So far as spending time on the issue, I wouldn't; constitutional change is an even more time consuming subject than British Rail. And your government leaks like a sieve. You need to spend scarce time on election issues, not post-election decisions.

So far as his point that it would be more honest to give notice of your intentions is concerned, I think it would be better to rest your argument on the electoral result. If you give the slightest hint beforehand, the whole story will be dragged out. Your position has to be against a tax-raising assembly, not for. After the election, you can say that you see no alternative. If you hint that a certain election result would cause you to act, you will actively encourage the Scots to vote nationalist or Labour. Encouragement is something they don't need!

Sarah

SARAH HOGG

(025)

FROM THE RIGHT HONOURABLE THE LORD MACKAY OF CLASHFERN

AT

HOUSE OF LORDS,
LONDON SW1A 0PW

Prime Minister

The options in this matter appear to be:

1. Make no policy adjustment and campaign on present stance.

2. Make a policy adjustment now with immediate effect.

3. Set up a Speaker's Conference now with the aim of reporting before the election with terms of reference which could lead to a change of policy but incorporating conditions about the arrangements for the UK as a whole. This would require a degree of co-operation from the other parties and the timetable is very short.

4. Set up a Royal Commission which could not report until after the election (and this was done before).

5. Make a policy adjustment which would take effect after the election. This would be conditional on our winning the election but it could also be conditional on some other event such as the result of a referendum or the result of a Speaker's Conference to be set up after the election. We could say that we undertake to set one up with specific terms of reference and it would be for consideration whether we would promise to abide by the outcome, if the conference could reach a conclusion.

6. The Speaker's Conference referred to in 5, could have a much wider remit following Maastricht and we could look to how the principle of subsidiarity should be applied in the U.K.

MyC

26.xi.91.

PRIME MINISTER 26 November 1991

1. At our meeting on Friday 22 November you asked me to consider the practicability of a Speaker's Conference being invited to examine the case for Scottish Devolution.

The term 'Speaker's Conference' is normally used to denote a conference of Members of Parliament meeting under the chairmanship of the Speaker of the House of Commons to consider questions of electoral reform.

PREVIOUS CONFERENCES

2. The first such conference was held in 1916 and its recommendations were subsequently embodied in the Representation of the People Act, 1918, which implemented the most sweeping electoral reforms since 1832. In 1929 Lord Ullswater who, as Speaker Lowther had presided over the 1916 conference, was called out of retirement to preside over another conference which considered proportional representation and the alternative vote but after fifteen sittings it was unable to agree on any recommendations.

The third Speaker's Conference on electoral reform was convened in 1944. It considered the redistribution of seats and the reform of the franchise. This conference rejected the introduction of proportional representation and the alternative vote, but made certain recommendations regarding redistribution which were eventually embodied in the House of Commons (Redistribution of Seats) Act, 1949, which established the four permanent Boundary Commissions for England, Scotland, Wales and Northern Ireland.

In 1965 the Speaker announced the terms of reference of a further conference on electoral reform, which included the reform of the franchise in particular relation to the minimum voting age and registration procedure generally.

A conference was established in 1973 which considered inter alia multiple registration and election expenses.

In 1977 the last Labour Government sought to set up a conference to consider Electoral Reform but in the event it did not prove possible to agree terms of reference.

In 1978 a conference was established to consider the number of parliamentary constituencies that there should be in Northern Ireland.

The most relevant precedent that exists, however, is a conference which was held in 1919-1920 specifically on the devolution of powers to subordinate legislatures within Great Britain. Although it published a report, the Conference failed to reach satisfactory conclusions, and the matter was not further proceeded with.

COMPOSITION

3. Since 1965 the Conferences have had a membership of 29 members excluding the Speaker, with no representation from the Upper House. For the purpose of committees, a membership of 29 under the present party proportions in the House of Commons would provide a breakdown of 17 Conservative, 10 Labour, 2 minority Parties.
The chairmanship is normally undertaken by the Speaker but it would be possible for him to appoint a formal Deputy Chairman or to follow select committee practice and appoint a chairman ad hoc if his duties required him to be elsewhere.

MECHANICS

4. The mechanics for setting up a conference are not the same as those for setting up a select committee. No motion is laid before the House and there is no question of any amendments. If the Government decide to proceed with a conference, the Prime Minister writes to Mr. Speaker inviting him to chair a conference at the same time as informing him that he has consulted other Party leaders and that agreement has been reached that certain items should be included in the terms of reference. Mr. Speaker then announces in the House of Commons that he has been invited to chair a conference and that certain Members have accepted his invitation to serve. He usually announces the agreed terms of reference at the same time, although it is understood that this announcement does not preclude the addition of other items later, if all sides agree. Nor would it preclude the conference being asked to report early on one specific topic; as happens from time to time with the Procedure Committee. Unless there is general all-Party

agreement to the terms of reference, however, it would seem improper to invite Mr. Speaker to chair such a conference. In that context, given the stated views of the Liberal Democrats, and a significant element of the Labour Party, it is doubtful whether a future conference could avoid having proportional representation in its terms of reference. In the past consultations have been initiated by the Prime Minister of the day.

THE CONFERENCE ON DEVOLUTION 1919-1920

5. The Conference was established with the following terms of reference following a debate in the House on 4 June 1919:

(1) The need of reserving to the Imperial Parliament the exclusive consideration of

(a) Foreign and Imperial Affairs; and

(b) Subjects affecting the United Kingdom as a whole.

(2) The allocation of financial powers as between the Imperial Parliament and the subordinate legislatures, special consideration being given to the need of providing for the effective administration of the allocated powers.

(3) The special needs and characteristics of the component portions of the United Kingdom in which subordinate legislatures are set up.

The Conference had a membership of 32 including 16 Peers. They did not seek to pronounce on the principle of devolution but considered only the most practicable way of putting it into operation, if it were accepted as a policy.

The issues which the Conference examined and a summary of their report is at Annex A

MJC

POWERS.

The Conference accordingly proceeded to examine a list containing over a hundred items of the subjects of legislation and administration. A number of sittings were devoted to the consideration of this list, and at the end of this period a large measure of agreement was reached both as to the subjects which ought to be retained by the Central Government and those which might properly be delegated to subordinate legislatures.

The following is a list of the powers which it was agreed to devolve :—

Powers devolved on Local Legislatures.

1. Regulation of Internal Commercial Undertakings, Professions, and Societies.

Advertisements,
Amusement Places and Theatres,
Auctioneers,
Building Societies and Loan Societies,
Licensing (Liquor),
Markets and Fairs.

2. Order and Good Government.

Cruelty to Animals,
Betting and Gaming,
Charities and Charitable Trust Acts,
Inebriates,
Police (other than Metropolitan Police),
Poor Law and Vagrancy,
Prisons,
Reformatories.

3. Ecclesiastical Matters.

Burial Law,
Matters affecting Religious Denominations.

4. Agriculture and Land.

Commons and Enclosures,
Game Laws,
Land :—

(*a*) Drainage,
(*b*) Improvements,
(*c*) Settled Land Acts,
(*d*) Distress and Tenure,

5. Judiciary and Minor Legal Matters.

Coroners,
County Courts,
Criminal Law, Minor Offences (procedure, definition, and punishment),
Law of Inheritance,
Intestates' Estates,
Conveyancing and Registration of Land,
Minor Torts,
Trustees, Guardians, and Wards.

6. Education.

Education :—

Primary

7. Local Government and Municipal Undertakings.

County Council and Municipal Bills,
Fire Brigades,
Local Legislation :—
(Private Bills, Gas, Water, and Electricity undertakings.)
Municipal Government :—
(including Local Franchise.)

8. Public Health.

Public Health Matters :—

(*a*) Preventive measures,
(*b*) Contagious diseases,

Hospitals,
Housing,
National Health Insurance,
Lunacy and Mental Deficiency.

(*See also* Appendix III.)

FINANCIAL RELATIONS.

In another branch of the subject, that of Finance, very general agreement was also arrived at. Early in December, a committee, consisting of Lord Faringdon, Mr. Murray Macdonald, Mr. Charles Edwards, and Sir Edward Goulding, with Lord Chalmers as Chairman, had been appointed for the purpose of framing a scheme. Their Report was considered by the Conference, was modified in certain particulars, and adopted. The Conference recommends as follows :—

In order to meet the expenditure on the transferred Services (including those covered by Local Taxation Grants) there shall be handed over annually for a period of five years to the local legislatures in Great Britain with power to vary those particular duties the following sources of revenue :—

(1) Liquor Licences (Dealers and Retailers but not Producers),
(2) Establishment Licences,
(3) Traders' Licences,
(4) Entertainments Duty,
(5) Inhabited House Duty,
(6) Land Values Duties,

together with the equivalent of the nett yield of so many pence in the pound of the annual Income Tax (excluding Super Tax) as will, at the outset, balance the account. After the end of five years the whole situation with regard to allocated funds and allocated taxes shall be reviewed.

The Report is printed in full in Appendix IV.

JUDICIARY.

A committee on this subject was also appointed in December, consisting of Lord Charnwood, Sir Ryland Adkins, Mr. Macmaster, and Mr. Hugh Edwards, with Lord Stuart of Wortley as Chairman.

The Conference adopted their Report, the general effect of which is—

(1) That, in the case of England, Scotland, and Wales, the definition and punishment and the regulation of procedure in the trial of major crimes (*mala in se*), adopting for this purpose the list usually found in Extradition Treaties, should be reserved to the United Kingdom Parliament, and that such changes as may hereafter be found necessary in other matters should be left to the local legislatures to determine.
(2) That the Scottish judicial system should remain unchanged, and that any change with regard to Wales, the implications of which are set out in the Report, should take place only if and when asked for by the Welsh legislature.
(3) That, as to the county of Monmouth, it is suggested that when devolution takes place Monmouthshire should be taken out of the Oxford circuit and added to the South Wales circuit.

COMPOSITION.

The Conference having provisionally determined the nature of the powers that might be devolved upon the subordinate bodies representing portions of the United Kingdom, turned to consider the manner in which these bodies should be constituted. Here some divergence arose. In attempting to focus as clearly as possible these divergent points of view, I have had to depart from the strict chronological order of the narrative of our proceedings. While the two Committees (on Finance and the Judiciary) were at work in preparing their Reports, the question of the composition of the subordinate legislative bodies was under discussion in the Conference itself. For some time the discussion was carried on as a duel between those, on the one side, who supported the proposal, associated with the names of the late Lord Brassey and Mr. Murray Macdonald, for setting up subordinate legislative bodies with separate election, and, on the other side, those who were so impressed by the disadvantages which appeared to them inherent in such a scheme, that, in the absence of an alternative, they felt themselves driven towards the necessity of opposing the principle of devolution itself. In order, if possible, to bridge this divergence of view, and to raise the discussion from the level of a general affirmation and negation of the desirability of devolution to a more detailed examination of the relative merits of various schemes, I searched for an alternative proposal to that of Mr. Murray Macdonald, and submitted to the Conference a scheme which was subsequently identified with my name. I hoped that this scheme might either lead on to the discovery of a practicable method of devolution which would commend itself as satisfactory to the bulk of our members, or else might be generally accepted as a half-way house on the road towards the larger scheme. This hope, I regret to say, was not altogether realised.

I also felt that the Conference itself was hardly numerous or representative enough to be qualified to undertake the very serious task of drawing up what might in effect be new Constitutions for the component parts of Great Britain. My scheme was therefore devised in such a way as to leave the method of composing the subordinate legislative bodies to be decided by each component part through its Parliamentary representatives, without interference from any other part, but subject, of course, to the approval of the United Kingdom Parliament. For the purpose of a close examination, I put it into as concrete a form as possible, and it immediately drew to itself the attention, both critical and sympathetic, of the Conference. Thus it came about that from being a secondary, it became the main scheme, and as such received by far the fuller measure of criticism and examination. When Mr. Murray Macdonald's scheme came to be discussed, many of the subjects raised did not require a second examination being common to both schemes.

To conclude my account of our proceedings with respect to this part of the subject, a point was finally reached in our deliberations when it became apparent that neither the scheme proposed by myself nor that proposed by Mr. Murray Macdonald would succeed in securing a substantial majority in its favour.

It may be added here that the Conference did not consider in any detail provisions for the adaptation of existing Government Departments to meet the wants of the new subordinate legislatures, as it seemed that His Majesty's Government, from the assistance and advice at its disposal, would be in a better position than the Conference to decide these questions.

SUMMARY.

It would therefore appear from the facts, as above detailed, that the Conference was substantially agreed upon:—

(1) The powers which could properly be devolved upon a local legislature, together with the powers that should be exclusively reserved to the United Kingdom Parliament, and the powers that might be exercised partly by the United Kingdom Parliament and partly by the local legislatures. These are set out in Appendix III.

(2) The areas which the local legislatures should administer, viz., England, Scotland, Wales (including Monmouthshire).

(3) The scheme for Financial arrangements as between the United Kingdom and local Exchequers (*see* Appendix IV.).

(4) The scheme for dividing the Judiciary for United Kingdom and local requirements (*see* Appendix V.).

On the other hand the Conference was divided upon—

(5) the character and composition of the local legislative bodies themselves;

and I have been accordingly requested by the Conference to submit both my own scheme (Appendix I.) and Mr. Murray Macdonald's scheme (Appendix II.), each of which has appended to it the signatures of those members who support it. Some idea of the arguments brought forward during the discussions of the Conference may be gathered from memoranda

Although no agreement on the fundamental point of the composition of the local legislative bodies could be attained, it was generally felt by the Conference that the detailed examination of these schemes had thrown new light upon the problem, particularly upon such important aspects of it, as the relations between the subordinate and the central Parliaments, the positions of the subordinate executives and other matters. It was thought that this divergence, fundamental as is the point on which it occurred, should not be allowed to nullify the substantial measure of agreement which was reached on the other important points enumerated above, and that the most helpful purpose that could be served by our deliberations was to place both schemes at the disposal of His Majesty's Government and the country.

I cannot close this letter without referring to the services rendered to the Conference by Mr. G. F. M. Campion (Assistant Clerk in the House of Commons) who placed his time and experience unreservedly at the disposal of my colleagues and myself and thereby materially lightened our labours. Mr. C. R. P. Diver (Assistant Clerk in the House of Commons) assisted us considerably in the preparation of tables and material necessary for our discussions, and we are indebted to him also for his services.

I have the honour to be,
Yours very faithfully,
JAMES W. LOWTHER.

The Right Honble. the Prime Minister.

cc PO

SECRETARY OF STATE FOR SCOTLAND

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

n5pm
BATP
14/11

Judith Simpson
Private Secretary
to the Secretary of State for Wales
Welsh Office
Gwydyr House
Whitehall
LONDON
SW1A 2ER

14 November 1991

Dear Judith,

REGIONAL ASSEMBLIES

Thank you for copying to me your letter of 29 October to Tony Pawson. I have also seen Jonathan Margetts' reply to you of 11 November.

I can confirm that we are quite content with the various lines to take set out in the enclosure to your letter.

While I understand Northern Ireland Office might wish to alter the final paragraph among your proposed lines to take, I am unhappy about Jonathan Margetts' proposed alternative which I believe goes too far where Scotland is concerned. My concern is that at a time when this is a very sensitive issue in Scotland, Ministers should not be deploying lines to take from which one might infer some proposal, however ill-defined, to institute constitutional change in Scotland. It strikes me that the whole tone of the proposed substitute paragraph and including its heading, comes close to implying that the Government's policy is to set up Regional Assemblies according to some perceived notion of particular local needs. Our preference is therefore either for the original version under cover of your letter, or, if you feel it is necessary, a line intended only to deal with comparisons between Wales and Northern Ireland and which is silent on the position of Scotland and indeed avoids any general statement such as that in the final sentence of Jonathan's line; it would be all too easy to infer from that an intention to institute programme of constitutional change to meet the perceived aspirations of <u>all</u> the countries of the Union.

We agree entirely with the final point in Jonathan's letter. Continuing close contact between officials in the relative Divisions in the respective Departments is important to ensure effective communication and coordination of statements on this subject.

Copies of this letter go to Jonathan Margetts and Barry Potter.

Yours sincerely,

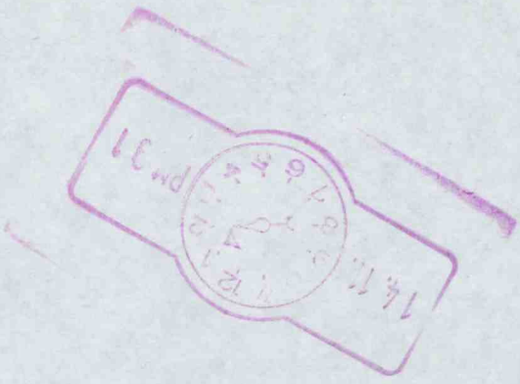
ALAN FRASER
Private Secretary

ICH00213.111

HOME AFFAIRS:

DeVoltes

May 79



CONFIDENTIAL

Prime Minister ②

'X' is excellent advice in my view. But some of the 'lines to take' are weak. We will aim to improve before PMQs tomorrow.

BJP 11/11

PM 8/11 for PMQs briefing.

PERSONAL

Prime Minister

I enclose a line to take on Devolution following the Kincardine & Deeside by-election.

The line proposed is similar to that proposed earlier and concentrates on the value of the Union and the unattractiveness of an Assembly with tax-raising powers.

X Could I suggest in addition, firstly, that it is important to adopt a reasonable and moderate tone at this juncture. To show any (understandable) resentment at the cries of ungrateful Scots could be counter-productive. Secondly, it is important not to give any hint of re-consideration of our position at this stage. To do so just at present would be to fan the flames.

Malcolm and I have had two useful discussions since last Wednesday and will put a joint paper to you containing positive proposals, as soon as I return from Japan at the end of next week. We would then seek an early meeting with you.

I.L.

11 November 1991

FORECAST

SCOTTISH CONSTITUTIONAL ISSUES:
PRIME MINISTER'S QUESTION TIME

Change in Policy following Kincardine and Deeside Result?

- The Opposition parties repeatedly told us during the by-election that the issues were all local issues. Now they are trying to re-write the script.

- The by-election was, like all by-elections, no indication of the next General Election result. We will recover Kincardine & Deeside and win more seats in Scotland.

- The Government remains fully committed to the Union between Scotland and the rest of the United Kingdom. ✓

- Current arrangements already provide for full and fair representation of Scotland's interests and recognise Scotland's distinct nationhood within the Union.

Careful. Better to play up S/S Scotland role in Cabinet.

- People in the UK enjoy the closest of social, cultural, family, industrial and economic ties and these should be sustained. ✓

- Support for the Union is strong. At the last General Election more than 85% of the votes cast in Scotland were for parties committed to maintaining the Union.

(Disingenuous: majority wanted devolution)

Accept Scottish Constitutional Convention's proposals?

- The self-styled Scottish Constitutional Convention was self-appointed and unrepresentative. By proposing tax-raising powers, the Convention would make Scotland the most heavily taxed part of the UK. ✓

- Its proposals are seriously flawed - it does not deal with the role of Scottish MP's at Westminster; the position of the Secretary of State for Scotland; or election arrangements.

No – limits at deal. Gov. has no prepared position.

- The Scottish business community knows the truth. Proposals for a tax-raising Assembly are seen as unwelcome, unhelpful to Scotland and Scottish Industry and a distraction from the real issues.

– competitiveness

BACKGROUND NOTE

While the constitutional debate receives extensive media coverage it is questionable whether this is justified by the priority given to constitutional change by the people of Scotland. In the 1979 Referendum on a Scottish Assembly, only 1 in 3 of the electorate favoured the proposal before them; and opinion polls have indicated that while a high percentage of Scottish electors say that they would favour some sort of change (if asked) constitutional change tends to be regarded as a less important practical issue than for example the future of the National Health Service, unemployment or the community charge.

The Scottish Constitutional Convention launched its scheme for a Scottish Parliament on 30 November 1990. The Convention's participants included Labour, the Liberal Democrats, local government, the Scottish Trades Union Congress and the Churches. The Scottish Parliament would have tax-raising powers and both a strategic planning role for industry and an inward investment role within UK regional policy. The Convention failed to address a number of important issues: the future of the position of Secretary of State for Scotland, the role of Scottish MPs at Westminster and election arrangements.

jab00411.111

Very Secret

Sarah +
AT/.

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

STRICTLY PERSONAL AND SECRET

Very interesting + entirely my view.

THE PRIME MINISTER

(1) Can Pol. Unit work up a speech based on Pl. refer Brit. (The Aberdeen Journal) 84.
(2) Pl. show to Foreign Secretary only 11.1.

1. I had been planning to do you a strictly personal note on the Scottish question, based on my own background, family still in Scotland, many trips there over the years, and recent conversations with my Scottish PPS, my Scottish agent, and my Scottish Special Adviser (recently a Scottish Parliamentary Candidate) - totally coincidental as all were chosen on merit and not for Scottish connections! Because of Thursday's events and the possible need to think quickly, I am hurriedly putting together these personal observations.

2. The substantial decline in Tory seats and Tory support in Scotland since 1955 is attributed, in my view, to the following factors among others:-

a) The East and West coasts of Scotland are different (there has often been conflict in the Tory Party between the two). Right up to the late '50s, and possibly even a bit beyond, Tory support in the West and particularly in the Glasgow area drew its strengths from a powerful Presbyterian, work-ethic tradition. In the 19th Century Glasgow had been strongly entrepreneurial. In the 20th there were many middle to lower middle class businessmen and self-employed, and tradesmen, for whom both their Protestantism and their Unionism distinguished them and made them feel just that bit superior to their neighbours. They were councillors and leaders of the community in other ways, they felt their position passionately and worked very strongly for our cause. For them the word "Unionist" was important and meant what it said. The new middle class in Glasgow don't

feel the same way; their Scottish "nationalism" is fiercer than these earlier roots.

In the East, and in other rural areas, there used to be a strong respect for the landed gentry and they were regarded as the natural leaders in the community. That has gone; indeed, where Conservatives are identified with that stratum it is now usually counter-productive to our cause.

b) The Scottish media have been almost universally hostile to the Conservatives since the early 1960s. This means constant misrepresentation of much that a Tory government from London, and of much that Tory politicians from the South, say. The very nationalistic coverage in the Scottish media and the persistent and constantly repetitious support for our Scottish opponents has had a devastating drip-drip-drip effect on the Scottish mentality. Moreover, the Scotsman and Glasgow Herald have traditionally been seen as the Establishment newspapers and the "Establishment" they now support is rarely us. It will take a long time to change this.

c) There always has been a latent anti-English feeling in Scotland, derived from times past and in my view from an inferiority complex which remains in most of the Scots who stay in Scotland. It is completely illogical and unfounded. Most Scots who settle in England very quickly recognise this; but the Scots who stay in Scotland don't believe it. That is one reason why so many Scots won't accept the fact that public expenditure in Scotland per capita is 20% higher than in England; and even those who are compelled eventually to accept the accuracy of the statistics will say that it is only right anyway!

d) All this has also been personalised in the attitudes to Conservative leaders, ranging from indifference to extreme personal hostility, certainly since 1965. The

Scottish response to you is undoubtedly much better than to your predecessors, but it will be an enormous uphill struggle to overcome all the deep-seated factors listed above.

3. My cold, practical analysis is, therefore, that even with enormous efforts we have little chance of winning many seats back in Scotland at the next Election, and while we remain in Government it will be a real battle to hold on to what we've got. We could do better in the long-term if the Scots feel the effects of a Labour Government at Westminster, or a Scottish Assembly with tax-raising powers. But neither (or certainly not the first, as I argue below), do we wish to see. The cold fact is that in terms of our overall Parliamentary majority we now have little to lose at Westminster from Scottish results and little to gain. The Election is going to be won elsewhere, and we need to concentrate our efforts in terms of policy and Ministerial regional visits on areas such as the West Midlands, East Midlands and the North West.

Since 1965 I have watched Ted and Margaret at various times make a disproportionate number of visits to Scotland in comparison to those English regions, in the belief that somehow or other they could swing round this declining trend. They did not, and I do not believe it can be done in the immediate future.

4. In the light of this analysis, and on the assumption that we are unlikely to do well in Scotland at the Election, the point I was intending to make to you was to urge you to make secret plans now to set up a Scottish Assembly with tax-raising powers immediately on our re-election. <u>But the absolutely essential point is that it will have to be linked from the outset with constitutional changes to bring the Scottish MP representation at Westminster into parity with the English representation; to abolish the current block grant formula for Scottish public expenditure and replace it in the first PES with negotiations that brought the overall public expenditure in the PEWP onto a similar per capita</u>

basis as in England; and possibly to exclude Scottish MPs from consideration of all English legislation on subjects which had been devolved to Scotland. This would need detailed working out and the work should start now. If the results in Scotland swings against us further at the Election, we would announce the new proposals shortly afterwards. The justification for our change of heart announced after the Election would be that the General Election had shown clearly that this was now what Scotland wanted.

I made a speech in the Second Reading debate on the Devolution proposals in the last Labour Government in which I argued that my fellow Scots should be aware that this entirely justifiable English backlash would be the inevitable consequence of going down the route that the Labour Government was then advocating (Tam Dalyell later took part of this up as the West Lothian question); but I added then that it was a consequence which I would not wish on my fellow Scots because it would be much to their disadvantage. I now think that there is a political inevitability about it, and I do not see why we should any longer be hindered by the Scottish albatross around our necks. I repeated the arguments briefly in my CPC Lecture at the Scottish Conference in Perth this year and at the Scottish CBI Annual Dinner in Glasgow in September, but in both cases as a side line, almost in parenthesis, to my main point which was to support strongly Ian Lang's warnings about the effects of a Scottish Assembly with tax-raising powers in making Scotland the most highly taxed nation in the UK. I suspect that most of the business community take the point about the adverse effects of an Assembly, but some of them resented even having this pointed out to them. They want to have their cake and eat it.

5. So I have been in no doubt about what we should do if we do badly in Scotland at the Election. And I do not think that the Scots yet take the warning seriously. But the new question in the light of Kincardine and the subsequent debate, is whether we need to change our stance now.

6. There are 3 alternatives:-

a) Announce a policy change now;

b) Announce it just before the Election, eg in the Manifesto or just before.

c) Have the change of heart after the Election.

7. The arguments for doing it now are:-

i) It gets the issue out into the open;

ii) It shows that we <u>are</u> responding to the Scottish demands and to the feelings of the Scottish people, of which it could be argued that Kincardine is the latest manifestation (though equally devolution did not come up much at Kincardine and we could maintain that line; on the other hand it could be argued by the local Scots that on the two key by-election issues of Foresterhill and the Scottish regiments they were expressing their opposition to having the decisions "foisted on them by London");

iii) We are likely to be put on the defensive on this any way, as I suspect that the lobby will start reporting a growing feeling among English MPs that this is what we ought to do. The tea rooms are rife with it already and sooner or later some backbenchers are going to say this directly to the lobby.

Against this are the following:-

i) It cuts the ground from under Ian Lang's feet. We have all been supporting him in arguing that this could mean the beginning of the break-up of the Union, and in drawing attention to:-

a) the considerable amount of devolution there is

already;

b) the importance to Scotland of having a Secretary of State in the Cabinet;

c) the dangers to the Scottish tax-payer of an Assembly with tax-raising powers. Anything less than an Assembly with tax-raising powers is merely a talking shop.

Strathclyde won't large ?

ii) It represents a complete reversal of our position up to now.

iii) It is high risk. It could reinforce the anti-English feeling ("how dare they cut down our number of MPs and cut back on our public expenditure?"). And it might be seen by some Party workers as a betrayal of the Party in Scotland. So we could lose more seats than we might just hold on to.

8. As to option (b) of a policy announced in the Manifesto or certainly not long before that next year, it seems to me that we would gain few of the advantages outlined in paragraph 6 of announcing the change now. You will already have had to hold to our existing line very firmly. So we would look like having been forced into the retreat as a result of persistent pressure, not least from our own side, over the intervening months. The disadvantages would remain. So my instinct would be against this, but Ian Lang will have views.

9. As to option (c) waiting till after the Election, the advantages are:-

i) It would mean that we maintain a consistent line, and one that is still intellectually coherent. To those who argue that it is "morally" or democratically wrong that Scotland should be governed by Conservatives when we are supported by only a minority of the Scottish electorate, we can reply that in all but one of the

Labour governments since 1945 England had a Labour government when there was a majority of Conservative English MPs in the House.

ii) It continues to give support to those Tory MPs and Tory supporters in Scotland who have strenuously upheld this line. They could well be disheartened by the changes we would propose if we announced them earlier. (No doubt many of them would prefer us to go simply for a Scottish Assembly without the other consequences; but that would be a ludicrous thing for us to do as in no way is it in a Conservative Government's interest.) So our support could slip even faster, and we might lose rather more Tory seats.

Against this the disadvantage is that we would undoubtedly be probed hard during the Election campaign as to whether, if there were a Scottish Assembly, we would deal with the question of over-representation in Scotland, etc. Our answer to this could, of course, be that we were against an Assembly with tax-raising powers, but if immediately after the Election we then introduced the proposals I am advocating (particularly if they came quickly so it was clear that we had worked them up) we would be accused of double-dealing, going back on our word etc etc. Our defence would have to be that the results in Scotland showed clearly that what the Scottish people wanted were these devolutionary changes.

A variant of option (c) would be to offer a referendum, putting the conditions to the Scottish people immediately after the Election. That gets us off the hook of deviousness.

10. My original instinct was to recommend to you that we go for option (c), but working up the detailed plans now so that we are ready to act. In the light of Kincardine and the inevitable strongly focused debate that there now is, I am inclined to recommend option (a) (or the variant, with referendum after an Election on the real choice with

conditions etc). It is not evasive. It does present fairly the real issues. It offers the only genuine choice. The problem is that if we pursued such a line in the near future we would not have any detailed proposals. They would need much working out. Presumably, our line would have to be that after much consideration and in the light of the strength of feeling of the Scottish people - the new emphasis on choice, people power etc - we have decided to put forward these proposals incorporating the principle of fairness, and would now be working them up between now and the Election.

I would be happy to discuss this further if you wish.

JOHN MACGREGOR

11th November 1991

R11.11

CF PH

From: THE PRIVATE SECRETARY

NORTHERN IRELAND OFFICE
WHITEHALL
LONDON SW1A 2AZ

NSPM
BHP
12/11

11 November 1991

Miss J C Simpson
Private Secretary
to the Secretary of State
Welsh Office
Gwydyr House
Whitehall
London SW1A 2ER

Dear Judith

REGIONAL ASSEMBLIES

flap

I am replying to your letter of 29 October to Tony Pawson.

We were very grateful to you for consulting us about the various lines which you propose to take. We are, in general, very happy with them, although we would suggest some re-casting of the one at the bottom of the page. We would suggest something along the lines of the following:-

- <u>Comparisons with Northern Ireland and/or Scotland: the case for Regional Assemblies</u>

  Questions about Northern Ireland/Scotland are a matter for my Rt Hon Friends. It may be helpful if I explain, however, that the Government's policy towards the transfer of power to regional administrations is based upon a pragmatic acceptance of the fact that structures of Government which are appropriate to one part of the United Kingdom are not necessarily appropriate to another. The history, geography, economy and social needs of the constituent countries of the Union are quite distinct and the Government believes that each part of the United Kingdom should be governed in the way which best suits its own circumstances.

Although we are happy to endorse these general lines to take, which will be valuable in the preparation of briefing, etc, it would still be prudent if the relevant Divisions in our Departments could keep in touch when policy statements are about to be made, so that such statements accurately reflect the most up-to-date position.

Copies of this go to Alan Fraser and Barry Potter.

Yours sincerely

Jonathan Margetts

JONATHAN MARGETTS

Dominic
A word pls
RJTP
30/10

cc PS

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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

CT/6255/91

29 October 1991

Dear Tony,

REGIONAL ASSEMBLIES

As you will know, on 2 October your Permanent Secretary and Sir Russell Hillhouse met Sir Richard Lloyd Jones to discuss this matter in the light of Mr Chilcot's letter to Sir Richard of ~~17~~ September. It was agreed that each department should consult the other 2 when preparing statements about the case for and against regional assemblies in our respective territories, the purpose of such consultation being simply to reduce the risk of inconsistency in what was said.

WILL REQUEST IF REQUIRED

Officials have here prepared Lines to Take, for use at First Order and similar occasions, elaborating this general approach. I would be grateful if you, and Alan Fraser to whom I am copying this letter, could confirm that their respective Secretaries of State were content with the lines proposed.

I am copying this to Alan Fraser, and to Barry Potter.

Yours sincerely,

Judith Simpson

MISS J C SIMPSON
PS/Secretary of State

PS/Secretary of State for Northern Ireland
Northern Ireland Office
Whitehall
LONDON SW1A 2AZ

G214C395

LINES TO TAKE

General

The Government remain convinced that a strong Secretary of State - able to represent Wales effectively at a national, European and international level - is the best champion of the interests of Wales in the 1990's and beyond.

Assembly and Secretary of State

Most people, including members opposite, recognise the value of the office of Secretary of State for Wales. They argue that an Assembly and a Secretary of State could operate side-by-side. But the proposals put to me envisage a Secretary of State with few powers and minimal influence in government. That is not in the interests in Wales.

"Democratic Deficit?"

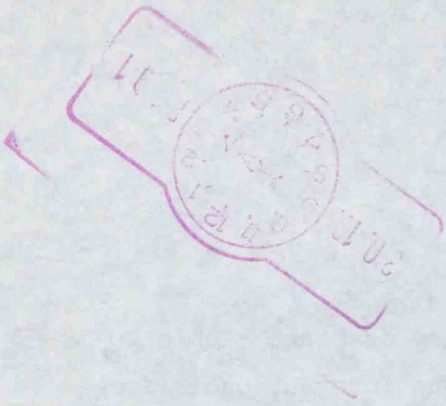
I am accountable here, in this chamber, to the elected representatives of the people of Wales and to all Honourable Members. There is no question of a lack of accountability.

Constitutional Developments Elsewhere in the UK

The structures of government appropriate for each territory must be seen in the context of the circumstances prevailing there, as the party opposite recognised when very different devolution proposals for Wales and Scotland were proposed in 1978. There can be no automatic read-across from one territory's constitutional development to another.

Comparisons with Northern Ireland/Democratic Deficit and Need for an Assembly in Northern Ireland

Questions about Northern Ireland are a matter for my RHF, but I would add this. The history and present circumstances of Northern Ireland are very different from those of Wales. Whatever constitutional developments might take place in the province, there would continue to be a clear and important role for the Secretary of State. Under the proposals put to me, that would be very far from the case in Wales.



PP Home Affairs

NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ

SECRETARY OF STATE
FOR
NORTHERN IRELAND

MPR

The Rt Hon Francis Pym MC MP
Chancellor of the Duchy of Lancaster
Cabinet Office
Whitehall
LONDON SW1

24th April 1981

Dear Francis,

GOVERNMENT OF SCOTLAND

I have read your letter of 10 April to the Prime Minister with interest. I am entirely content with the line you intend to take.

I would just mention two points that relate to Northern Ireland. I hope it can be made clear that, in abolishing added Members for the Scottish Grand Committee, no precedent is being set for the Northern Ireland Committee. Added Members there are essential if Government and Official Opposition are to have Members on the NIC. Second, I would very much endorse your view that the amendment to the effect that the Scottish Grand could on an experimental basis sit in Edinburgh should be defeated. Such an innovation would set a clear precedent for the Northern Ireland Committee sitting in Belfast which would pose even more formidable practical and logistical problems as well as increasing the likelihood of constructive debate being replaced by local Members playing to the gallery.

I am copying this letter to Cabinet colleagues and Sir Robert Armstrong.

Yours ever

Humphrey

AH

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Nigel Wicks Esq
Principal Private Secretary
10 Downing Street
LONDON
SW1A 2AA

22 April 1988

Dear Nigel,

You mentioned to me articles on Devolution written by Michael Ancram which you thought might have appeared in the "Contemporary Review".

I think you probably have in mind the attached articles which Michael Ancram prepared for general publication, in whole or in part, in the press. I am not sure whether he has written anything else but I am checking with him and will let you have a copy of whatever I unearth.

Yours sincerely,

David

DAVID CRAWLEY
Private Secretary

Enc

HMP11221

J.J.M.

Draft/

D E V O L U T I O N - W H Y N O T

by

Michael Ancram

D E V O L U T I O N - W H Y N O T

by Michael Ancram

INTRODUCTION:

Love it or hate it, since 11th June 1987 Devolution is firmly back on the political agenda in Scotland. Not that it was an issue at the general Election; subsequent research indicates that it was hardly raised either at meetings or on the doorstep. Nevertheless the results of that election have forced it back into the centre of the political arena. The fact that the public do not see it as a matter of priority is in a sense neither here nor there. It is a major plank in the platform of the Labour Party who hold 50 of Scotland's 72 seats. It is deeply rooted in the editorial psyche of the Scottish media. It would in fact be an unwise and foolhardy politician or political party which now stuck to the belief that by ignoring this it would simply go away. The arguments must be examined and met head on.

Many claims are made for devolution by its proponents. It is put forward by some, without even much attempt at justification, as a panacea for all Scotland's ills. Others make more specific and more limited claims for it; that it will fill a dangerous vacuum loosely referred to as "the aspirations of the Scottish people"; that it will regenerate Scottish politics and allow the Scots to choose their own political priorities; that it will enable Scotland to solve its economic problems and indeed preserve and expand its own industrial and commercial infrastructure; and many other claims as well.

The purpose of the following three essays is to examine these claims, to cut away the emotion and to look at the realities. The author's belief is that by so doing it will be shown that behind the cosy facade built around the concept of devolution by its proponents lie many dangers and potential disappointments for Scotland. If the debate is to be a true one and if the opinions of the Scottish people are to be properly informed it is essential that these, if not necessarily accepted, should at least have been aired and recognised.

These essays attempt to do just that.

[380 words]

1. DEVOLUTION, RESPONSIBILITY AND NATIONHOOD.

The purpose of this essay is to examine two of the broader claims made for Devolution, namely that it would enhance responsibility both national and individual within Scotland, and also that the setting up of a Scottish Assembly would satisfy the concept, spirit and reality of that feeling of nationhood which remains such a strong part of the Scottish psychology.

Labour spokesmen recently challenged Mrs. Thatcher on the question of increasing individual responsibility within society. If you are serious, they inferred, about wanting to give the Scots more responsibility, well then give them a legislative assembly. In doing so they have posed the fundamental theory that a devolved legislature equates with increased responsibility. It is a theory which bears closer examination.

Power and responsibility, as the Fourth Estate were so powerfully reminded by Stanley Baldwin, are two totally distinct concepts. Of course the creation of a legislative assembly would devolve power from Westminster to Edinburgh. Whether it would devolve responsibility is an entirely different matter. It can in fact be tested quite simply by posing the question "where does the buck stop?", or put another way "who takes the blame when things go wrong - oneself or someone else?" So, would a Scottish Assembly which was entitled to take decisions and empowered to initiate action be bound constitutionally to take the blame for failure or error, or would it be bale to pass that blame on to some other institution? That question is central, because the structural ability to pass the blame on to others is the very negation of responsibility.

It is worth first applying this test to a 1978 Act type assembly; one with considerable devolved power over a wide range of domestic issues, but financed by a block grant from Whitehall whether negotiated or set by formula. Conflicting pressures would immediately arise between on the one hand the omnipresent Whitehall requirement to keep a check on overall levels of public expenditure and particularly those with Public Sector Borrowing Requirement implications and on the other hand an assembly whose very raison d'etre was its promise to spend more on housing health and the like.

There are useful lessons to be learned in this respect from the experiences of local authorities, from the tensions inevitably arising out of the payment of Rate Support Grant between local and central government whatever the political complexion of either. This constitutional structure has always enabled local councils to blame the Government for not giving them enough. It has for years allowed local authorities in Scotland to avoid accepting responsibility for their own

inefficiencies or profligacies. There is little or nothing to suggest that a block-granted assembly would not be able to "get out from under" in precisely the same way. The buck would be capable of being passed and the test of responsibility is failed.

The same comparison carries over into the second type of devolved assembly, the one presently promoted by the Labour Party with supplementary tax-raising powers. Local councils after all already have supplementary tax-raising powers through the rates. They have consistently pushed up expenditure. Then when the grant proportion has not been maintained, even if in fact it has more than matched the rise in inflation, they have accused the government of cutting because they have not maintained the proportionate level of support. There can be little doubt that this "blank cheque" mentality would transfer swiftly to a Scottish Assembly which was similarly part block-funded but with ultimate discretion over its level of expenditure. Increases in the level of the supplementary tax would inevitably be blamed on the failure of central government automatically to maintain the proportion. Once again the buck would be passable and the responsibility test failed.

*[In fact it would go further, and again the comparison with local government is relevant. Today councils cheerfully push up rates and then, on perceiving the damage done to industry and jobs, plead for mitigating treatment whether through partial de-rating or through increased support. And if they don't get it, or don't get enough, they blame the Government at Westminster. Why should an assembly composed largely of the same politicians and with many of the same powers be any different?]

None of these examples suggest that a Scottish Assembly would in any way fulfil the requirements of responsibility. There is in fact much to suppose from local government antecedents that it would merely create yet one more area of resentment against Whitehall and Westminster to the benefit only of those who seek the break-up of the United Kingdom.

What then of the concept of nationhood and the claim that devolution would satisfy its needs? Most Scots accept that Scotland is a nation, distinctive both in character and history. To many of us there is nothing incompatible in the co-existence of Scottish and British nationhood. The Act of Union was a treaty between free nations creating a unitary state within which there was and still is room for national identities, national cultures, different legal systems and different nationally established Churches. It does not require a belief in devolution or separation to recognise Scotland's nationhood. Nor does opposition to it negate that recognition.

The argument however is made that without self-determination a country can only have the trappings rather than

the reality of being a nation. The question must be posed as to whether devolution could satisfy it. Certainly full independence would do so. Whether devolution could can best be tested by checking whether an assembly would fulfil those aspects of self-determination which are claimed to be lacking in the present system.

First, the right to decide our own spending priorities within Scotland. *[Leaving aside the fact that Scottish Office ministers already do so to a substantial degree,] the answer to this claim must be a qualified yes. An assembly could indeed decide such priorities but only within the context of what there was available to spend. Under a block grant the figure would be strictly controlled and under supplementary tax powers it would naturally be constrained by the level to which those taxes could reasonably be raised. In reality for this right to have any significant meaning would require such enormously high levels of local taxation as would in practice be unacceptable and unachievable. As even small levels of extra tax would have a severely damaging effect on the Scottish economy, the right claimed is at best cosmetic and at worst frightening.

Second, the ability to protect Scottish industry such as Caterpillar from overseas intervention or destruction and to save such major concerns as Ravenscraig. This claim quite simply begs the question as to how. Even if an assembly had the powers to impose controls on inward investment, to do so would immediately act as a barricade against potential investors who would turn to England or Ireland where such conditions did not exist. Rather than preserving jobs, such an exercise of power in Scotland would destroy them.

As for Ravenscraig the position is if anything less helpful. Its retention at present relies on a political decision which effects not only Scotland but the rest of the United Kingdom as well. That political decision protects Ravenscraig because it prevents major adjustments in the steel industry taking place elsewhere in the UK which would make "the Craig's" position untenable. The setting up of a Scottish Assembly would remove that protection and leave Ravenscraig at the mercy of the overall steel market.

Third, that a Scottish Assembly would provide the means for curing most of Scotland's ills. This general claim, so beloved of pro-devolutionist can quickly be pricked by the question "With What?". Any form of assembly would rely on Whitehall for the bulk of its resources, and he who holds the purse string also sings the tune. *[If Scots do not believe that they are receiving the required cure today they would be naive in the extreme to imagine that there would be much difference with an assembly tomorrow.]

*[Lastly the claim that devolution would give Scotland a real influence within Europe and the wider world. Under devolution this claim doesn't even reach first base. Granted an Assembly might well debate a nuclear free Scotland or the Common Agricultural Policy or sanctions against South Africa. It would have no more effect than the arid and self-indulgent debates on such subjects which we hear today from certain Councils. It would quite simply be unreal.]

The sad truth about an assembly is that in terms both of responsibility and self-determination it would be a sham. The harsher truth is that if these concepts are genuinely sought by the Scottish people they could only be achieved by independence full-blooded and total. On these two aspects at least there is no middle way, and those who pretend otherwise deceive both themselves and the Scottish people.

*[I personally do not subscribe to the separatist route, but that is another argument for another place and another time. Suffice it to say that Scotland would be much the poorer for independence. Nevertheless and in honesty it has to be admitted that if responsibility and self-determination are the goals they cannot and will not be won in any other way.

What must be of concern is the risk of taking that route unintentionally, unwittingly or by default. The danger is that devolution would create such tensions, such constitutional imbalances and imperfections as to push us down that road whether we wish to follow it or not. There is no more dangerous answer than that which is unintended.]

*[Bracketed phrases and sentences are those which would be cut for newspaper publication to bring the essays nearer to acceptable length. Other cuts would be necessary.]

2. UNILATERAL DEVOLUTION AND THE CONSTITUTION.

Unilateral Devolution would push us unwittingly and unintentionally down the path towards total separation, because it is constitutionally unsustainable.

*[It is not hard to imagine the reaction to this statement from the pro-devolution camp. Firstly they will say that it is simply a rehash of the arguments used by the "No" campaign during the 1979 Referendum. They will go on to claim that the oil-related threat of the SNP which gave weight to it at that time has subsided and that even if the argument was relevant then, it is no longer. They will object also, as they have already done, to the use of the term "unilateral" in this context and will proclaim it both emotive and irrelevant. This essay disagrees with them and sets out to show why.

It is therefore important to establish what is meant by "unilateral" and "multilateral" in the context of devolution. Terms must be defined, starting with devolution itself.] "Devolution" means the transfer of power held by one set of institutions downward and outward to other lesser sets. It can be carried out either to meet national/regional aspirations or simply because the existing institutions can no longer cope with the pressures and complexities of modern government and need to delegate power or to transfer it.

Whichever the reason, and both have intrinsic validity, it requires to be evenly spread if it is to be achieved without unduly unbalancing the constitution. This even spreading can be termed "multilateral devolution", the passing down of power in equal proportions to a lower tier of institutions in all parts of the United Kingdom.

The alternative to this is, of course, to devolve power to a single institution in only one part of the country, inevitably creating a different and unique constitutional situation restricted to that one geographical area - "unilateral devolution". One-sided devolution of this sort is by no means impossible but it can only be achieved at substantial peril. On the one hand there is the danger that it would terminally unbalance the constitution to an extent which made break-up of the United Kingdom inevitable. On the other there is real risk of such devolution being counterbalanced by isolating the devolved geographical area within a constitutional ring fence in such a way as to neutralise it as an active part of the whole.

These alternatives are worth looking at more closely. Multilateral devolution, for instance, has in its various forms some powerful exponents. The pre-election, pre-merger SDP proposed devolved legislative assemblies based on the ancient

kingdoms of the UK including a number within England itself. The Liberals have long talked, if less than specifically, about federalism. Constitutionalists in the 1970s, including Lord Hailsham, have questioned the ability of the centralised Whitehall system to cope with the growing complexities and pressures of governing a modern society and have raised the possibility of devolving both administrative and executive power more locally.

Certainly the multilateral route does allow devolution to be achieved in a more balanced way where the effects, although differing from area to area according to local choice, would all stem from the same structure and powers throughout the UK. There could be no complaints of either unfairness or discrimination. It would satisfy the test of local responsibility. And, while the inevitable influence of centrifugal force would make it inherently less stable than the present unitary system, it would be sustainable.

In fact such a form of devolution has much to commend it. It has been embraced by a number of Scottish politicians who otherwise oppose Labour's devolution proposals including the Secretary of State for Scotland, Malcolm Rifkind and the present author. In terms, however, of practical politics it has one grave and for the moment fatal flaw; that is that no other part of mainland Britain either sees a need for it or wants it. Of course this position may change and a climate favourable to multilateral devolution may occur; but not now.

Which, if for the purposes of this analysis we exclude the separatist road and the status quo, turns us back to the unilateral solution. At the risk of being over-blunt it would in constitutional terms create a pig's breakfast.

Imagine it for a moment. One part of the UK where alone the writ of an otherwise sovereign Parliament did not run on matters which had been designated as devolved, but where at the same time that part's parliamentary representatives expected full voting rights over equivalent matters within the rest of the country.

One part of the United Kingdom with the right to raise extra taxes over and above the ordinary fiscal burden creating massive and damaging economic implications for that area; or alternatively and even more anomalously one part where UK taxes did not apply. One part of Great Britain left with a disproportionately high level of parliamentary representation which, while presently justified by Scottish legislative requirements under the present system, would create a constitutionally unfair balance within a post-devolution Westminster Parliament. And last but not least a situation which would leave the Secretary of State, Scotland's voice in Cabinet

on all matters of importance including defence and general economic policy, as a person with no departmental backing, no authority, no responsibility and consequentially no influence.

Naturally all this could and would be regarded by other parts of the UK as well as by many Scots as being unacceptable. If unilateral devolution was to proceed the imbalances would require to be mitigated. It is worth considering how.

First, by stopping Scottish MPs from voting on the designated matters as they affect England and Wales, creating in the process yet another constitutional anomaly of two classes of MP within the Westminster Parliament. Second, by allowing an Assembly to be financed only by block grant based on a strict formula with distinctly less political incentive in Whitehall to be generous to Scotland even than there is at present *[- and no-one who has recently been involved in Scottish Government would claim that it was easy even now]. Third, by reducing the number of Scottish MPS from 72 to somewhere in the mid 50s. And lastly by abolishing the post of Scottish Secretary of State within the Cabinet on the view that it no longer served any useful executive or representative purpose. These readjustments could hardly be said to be to Scotland's advantage.

The sad truth is that in the present political landscape there are strong attractions for English Tories to promote precisely these developments. They would lessen Scotland's, and consequentially Labour's, influence over domestic English policy and would make it far easier to ignore Scottish interests in matters of United Kingdom policy. Overall it would impose on Scotland a provincial status something akin to the Northern Ireland experience before direct rule; no places in the great offices of State - no Younger at Defence nor Smith as Chancellor of the Exchequer - and no influence over the policies of those and other major UK departments. We would be left with the second tier status of the Province of Scotland, and to the present author at least that would be totally unacceptable.

It is therefore hard to avoid drawing the conclusion that within an acceptable constitutional framework there are only three sustainable positions; the present unitary state with its administrative devolution to Scotland, the federal or multilateral devolution route or total independence. It has to be conceded that, in terms of nationhood and self-determination, independence at least has a certain honesty and feasibility although the economic consequences of such a route would be devastating. Equally multilateral devolution has its attractions, and may in the longer term become practical if the English and Welsh can be won round to it. Again the present system, warts and all, does actually work and in fact in terms of resources works in Scotland's favour. It is therefore a matter of total bewilderment as to why the main Scottish opposition party wishes

to rush madly into the least acceptable and most unstable solution of all - unilateral devolution.

*[What are the attractions for the proud Scottish nation in opting for the route of second rate status? It would achieve little in increasing flexibility or self-determination in deciding priorities while putting at severe risk our current right to joint or shared determination on general matters.

Above all] it would threaten economic damage to Scotland at a time when we need all the stability we can get on that front. *[That however is a matter for closer and separate analysis. For the moment it is enough to conclude that] it is not and should not be a realistic constitutional option. Its inherent instability would risk a slide into independence which was neither calculated or wanted. It would be the worst of all possible worlds.

*[see previous essay]

DEVOLUTION, THE ECONOMY AND JOBS.

When unilateral Devolution is tested against self-determination and responsibility on the one hand and constitutional stability and acceptability on the other it has been found not only wanting but also positively damaging to Scotland's interests. This essay seeks rather differently to examine the economic effects of the type of Assembly currently proposed by the Labour Party, a devolved legislature with tax-raising powers.

For the purpose of this analysis it is assumed that these tax-raising powers are supplementary. There will be those who will claim that this assumption is invalid, that there is no reason why an Assembly should not have total tax raising powers and thus the ability to set income tax levels in Scotland at a rate lower than that prevailing in the UK as a whole. Indeed such an argument has on occasion been made by proponents of devolution.

To them the question must be posed as to how this could possibly be achieved in practice in an economically unitary state. Are they really suggesting the possibility of a right reserved exclusively to a Scottish Assembly to vary at its unilateral hand the national tax rates set by Parliament? Do they seriously envisage a scenario in which Scottish tax payers could contribute less towards defence and more toward housing than their equivalents south of the border? Quite simply, such claims defy both logic and practicality.

It is therefore fair to assume not only that the powers will be supplementary to UK fiscal policy but also that they will be used, inevitably and immediately leading to higher rates of tax in Scotland than anywhere else in the United Kingdom. Such a prospect would be highly damaging to both investment and jobs north of the Border.

*[That it would have such an effect is no wild claim. Its validity can be seen in the example of the comparatively higher levels of rates which exist at present in Scotland, both on individuals and businesses. High rates have proved a disincentive to indigenous and inward investment when lower burdens have been applicable in the south. Indeed as a result of the differences and in an attempt to mitigate them the Government had to introduce partial derating for industry at a current rate of 40% to create a fairer level of cross-border competition. We are constantly bombarded by Scottish businesses, householders and even sports clubs with anguished complaints about how much more they are having to pay than their English equivalents, and the damage that this is doing to life and work in Scotland. The proof of the pain and potential harm which differential tax rates can

cause is already there to be seen.]

Obviously the extent of the potential damage would depend on the nature and size of the supplementary taxes which would be raised. Any extra tax on business or industry would have as direct an effect as the level of non-domestic rates would have without partial derating. It is scarcely conceivable that an Assembly would seek to undermine the Scottish economy in such an immediate way, which leads to the presumption that the supplementary tax would be on individual incomes. The effects of such a tax might be less direct; they would be no less damaging.

It is only possible to speculate about the likely size of such an impost, and of course the extent of the harm which it would cause would depend on the level of it. Nevertheless any differential in income tax between Scotland and England would be sufficient to begin the process of disincentive. It would merely become stronger as the differentials grew. And if an Assembly was to seek to achieve even half of what is claimed for it, grow they would and fast.

It is worth making some calculations. We know that if current Scottish domestic rating revenue [of some £350m] was to be replaced by a local income tax it would require an extra level of some [5P] in the £1. Given what we are told that an Assembly would achieve extra in the Health Service, on roads, on housing and on education compared to current levels of Government provision, such a sum would if anything appear conservative. Nevertheless it is a reasonable starting point for analyzing the potential effects.

For a start it would have a dramatic effect on the individual extra tax burdens that Scots would bear in comparison to their southern neighbours. Take first the young single earner on the low wage of £115 per week. He would end up paying [£...] more per year, more in fact than he will be required to under the much maligned Community Charge. Or a person on the average manual workers wage of [£... who would pay an extra £...]. Or a couple on average earnings of [£...who would end up £... worse off]; and so on up the earnings scale. What possible incentive would there be for these people to seek to stay and work in Scotland when they would be so much better off by looking for employment in the south?

A number of possible results would occur. People who could would move south, or if they lived in the Borders might work on the southern side as their PAYE tax point is registered at their place of work. The black economy would grow as people sought to escape paying tax, thereby increasing the extra burden which would be left for the honest to pay. Or, and most likely, those in employment would seek higher levels of pay, somewhat akin to weighted allowances, to permit them the same standard of

living for the same type of work as they would get in England.

None of these possibilities would be good for the Scottish economy and jobs, but the last least of all. The impetus of investment and expansion within Scotland, the fragile seeds of which are just now beginning to bear fruit, would be at best reversed and at worst destroyed. *[There may be those who deny this, who claim even now that Scottish business supports devolution. The facts are not with them.

Take the hypothesis of a firm seeking to set up in the Borders, the question in the minds of the board being where to site it. In Duns or Dumfries the workforce would be taxed more than in Berwick or Carlisle. If it is set up in Scotland rather than ten miles south in England the pressure for wage increases will be that much greater. The skilled employees will be penalised if their registered place of work is north rather than south of the border. All other things being equal there can be little doubt as to where that investment would ultimately be placed.

Of course that is the point at its most obvious and most transparent. It would be nevertheless be foolhardy to claim that the problem would not be precisely the same even where the distances were greater.] It is worth looking at more closely.

First at what would be the effect on potential investment from outside Scotland. One of the considerations of an international investor in deciding where to make his investment will be the comparative fiscal pressures which exist in one potential area as against another. Scotland may have a skilled and available pool of labour; so does England. Scotland may offer high amenities and incentives; she is not alone in doing so. What we can offer is too often counterbalanced by distance from markets and higher transport costs. As we stand we can just make, as we are making, a good fist of it. Add a substantially greater tax burden for incoming executives and a pressure for comparatively higher wages from the potential workforce and the already sensitive balance is firmly and decisively tilted against Scotland. Theory? [examples of inward investment which would not happen]

Second, the effect on those who are already in business in Scotland. Of course those industrial concerns who are already established north of the border would be unlikely to see the financial advantages of moving as outweighing the cost of doing so. To a large extent they would be tied by the physical location of their plant and machinery however tempted they might be otherwise to move. The same cannot be said for those other businesses who are not so tied. Financial services and insurance companies, all major Scottish employers in their own right, would not feel the same constraints particularly at a time when modern

telecommunication systems make location less important. If financially it was advantageous for them to move there can be little doubt that they would do so, with massive implications for Scottish jobs. What sort of companies then would consider moving? [named examples].

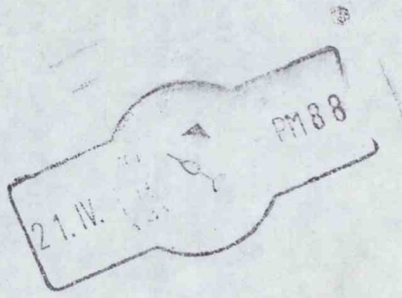
Finally, the effect on business expansion within Scotland. Again the sad truth is that given higher tax rates those firms looking for opportunities to expand would be more unlikely to do so north of the Border than south. [examples] These would not be so much jobs lost as jobs forfeited. Nevertheless it would be a brave Scottish politician who said that we could do without new and increased employment. Yet that intrinsically is what those who promote a tax raising assembly are saying.

*[It is self evident that under such an Assembly both people and businesses in Scotland would suffer. And for what? For the chance to make the specious claim that it had somehow increased our national identity or enhanced our powers of self determination? Are we really prepared to sacrifice our economy and jobs for a mirage of nationhood? If we are that starstruck surely we should have the courage and the foolhardiness to go for the reality of total separation. The damage would hardly be less.]

Devolution may in its unspecified generality be a comforting and inspiring concept to the Scottish psyche, a nice thought, even a panaceaic dream. The reality is very different, and for Scotland a frightening prospect. *[It would be too much to expect that these arguments will for one moment shake the ardent fervour of those who single-mindedly pursue the dream. It can only be hoped that those who love Scotland and are concerned about the realities will at least open their eyes to the dangers which the dream presents and will not allow it to lead them up the garden path.

To one, at least, who loves Scotland the facts cry out from the hills: " Whatever else, not unilateral Devolution".]

*[see note on first essay]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Home Affairs.

10 DOWNING STREET

From the Private Secretary

14 April 1981

Dear David

The Prime Minister has seen the Chancellor of the Duchy's letter of 10 April, about the Government of Scotland.

She is content with his proposals for the Parliamentary handling of the outcome of the inter-Party talks.

I am sending copies of this letter to Stephen Boys-Smith (Home Office), Godfrey Robson (Scottish Office), John Craig (Welsh Office), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours ever

Mike Pattison

David Heyhoe, Esq.,
Office of the Chancellor of the Duchy of Lancaster.

JS

d/IGow

1. N/S.S.MS

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

2. Prime Minister

10 April 1981

Yes no Content with Mr Pym's proposals for Parliamentary handling of the outcome of the inter-party talks on Government of Scotland?

Dear Prime Minister,

MAP 10/4

We are committed to providing the House of Commons with an opportunity to debate the report of the inter-party talks on the Government of Scotland which were held in April and May last year with terms of reference "to consider whether the present system of Government in Scotland could be improved by changes in the procedures, powers and operational arrangements for dealing with Scottish Parliamentary business". Apart from the Government, representatives of the Labour and Liberal Parties, but not the Scottish National Party, participated in the talks. I attach a copy of the Group's report.

In an answer to an arranged written Question from Michael Ancram on 7 August last year, Norman St John-Stevas indicated that the Government welcomed the report, and would be tabling Motions recommending support for its proposals.

The positive recommendations made in the report are that:-

i. There should in future be a minimum of six Estimates Days in the Scottish Grand Committee;

ii. There should be a maximum of six Matter Day debates in the Scottish Grand Committee, with a minimum of four, if the Opposition so request;

iii. The provision in Standing Orders for the appointment of Added Members to the Scottish Grand Committee should be removed;

and iv. The quorum of the Scottish Grand Committee should be reduced from 17 to 10.

In addition, however, the report refers to two other matters on which the Group made no recommendations but which the House would expect an opportunity to debate:-

Cont.../

10 APR 1981

i. The possibility of provision being made for Members representing constituencies other than Scottish constituencies to attend and speak (but not to vote, move amendments or be counted in the quorum) in the Scottish Grand Committee. The Government has indicated that it would favour such a provision (paragraph 4(7));

ii. The possibility of sittings of the Scottish Grand and Standing Committees in Edinburgh. The Group proposed that this should be left for decision by the House when their report was debated.

In order to meet our commitments to enable the House to reach decisions on the report, the Secretary of State for Scotland and I consider that the framework for the debate should be a Motion proposing to take note of the report as a whole followed by Motions proposing the endorsement of the Group's specific recommendations with effect from the beginning of next session.

I am confirming with the House authorities that this would enable amendments to be tabled on other matters referred to in the report. Subject to this, we would accordingly propose that:-

i. Iain Sproat, who is a supporter of the proposal, should be invited to table a Motion providing that Members representing constituencies other than Scottish constituencies should be able to attend and speak (but not to vote, move amendments or be counted in the quorum) in the Scottish Grand Committee. I would propose to make clear that, whilst the Government favoured this, we recognise that it is entirely a matter for the House to decide;

and ii. That another back-bencher, possibly Peter Fraser, might be invited to table an amendment proposing that arrangements might be made on an experimental basis for some sittings of the Scottish Grand Committee in Edinburgh. Whilst it would seem that a vote on this would have to be formally a free vote, we would propose that arrangements should nevertheless be made to try and ensure its defeat. In any case I would propose to make clear that, if the House were to approve such an amendment, it would be necessary for an enquiry to be undertaken, possibly by a Procedure Committee, into the detailed arrangements that would be necessary for such sittings. (The report

Cont.../

itself refers to the possibility of meetings in Edinburgh of Scottish Standing Committees as well as of the Scottish Grand Committee. Sittings of Standing Committees in Edinburgh would, however, pose greater practical problems, and it is accordingly proposed that the amendment should be limited to sittings of the Scottish Grand Committee).

Subject to the views of colleagues, I would aim to table the necessary Motions as soon as possible, and certainly before the Easter Recess.

FRANCIS PYM

The Rt Hon Margaret Thatcher, MP
10 Downing Street
LONDON
SW1

Enc

GROUP

GOVERNMENT OF SCOTLAND:
REPORT OF AN INTER-PARTY GROUP

1. Following discussions in the summer and autumn of 1979 between the Government and other parties representing Scottish constituencies in Parliament, Inter-Party Talks were held in April and May 1980 with the following terms of reference:-

> "To consider whether the present system of government in Scotland could be improved by changes in the procedures, powers and operational arrangements for dealing with Scottish Parliamentary business."

The Scottish National Party were invited by the Government to join in the Talks but declined to do so. In participating the representatives of the Labour and Liberal parties recorded their view that the Talks were not concerned with devolution as they understood the term.

2. Two meetings were held both of which the Leader of the House chaired. The Secretary of State for Scotland attended for the Government, the Rt Hon Bruce Millan for the Labour Party and Mr Russell Johnston for the Liberal Party. For the second meeting, in addition to Mr Iain Sproat and Mr Neil Carmichael representing their respective Back Bench Members, the Scottish Government Whip Lord James Douglas-Hamilton and the official Scottish Opposition Whip Mr Hugh McCartney also attended.

3. The Government tabled information Papers which were made available in the Libraries of both Houses of Parliament. These Papers assembled for discussion various suggestions for possible changes in the way Scottish Parliamentary business is handled. The suggestions had emerged in the bi-lateral discussions between the Government and the other parties.

Changes recommended

4. After consideration of the various suggestions it was agreed that the following changes should be recommended.

(1) The maximum number of Estimates Debates which, under Standing Orders, may at present be taken in Scottish Grand Committee (6) should in future be a guaranteed minimum of 6.

(2) The maximum number of Matter Day Debates which, under Standing Orders, may at present be taken in Scottish Grand Committee (2) should be increased to 6; where the Opposition parties so request, a minimum of 4 Matter Day Debates should be held.

(3) The choice of topic for Estimates Debates should remain, by convention, with the Opposition.

(4) The choice of topic for Matter Day Debates, which at present lies by convention with the Government, should in future be shared between the Government and the Opposition.

(5) The Official Opposition should commit itself at the start of each Parliament to an appropriate allocation to the other Opposition parties of the choice of topic for Estimates and Matter Day debates.

(6) The Government should aim to spread the increased number of Matter Day Debates as evenly as possible throughout the Parliamentary session.

(7) Standing Orders should be amended to remove the provision for the appointment of Added Members to the Scottish Grand Committee; and the Quorum of the Committee should be reduced from 17 to 10. (There was a minority view that the present system of Added Members should not be changed.) It was suggested that provision should be made for Members representing constituencies other than Scottish constituencies to attend and speak (but not to vote, move amendments or be counted in the Quorum) in the Scottish Grand Committee. There was no agreement on this point but the Government recommends that such a provision should be made.

Suggestions not pursued

5. Consideration was given to the suggestions that Scottish Questions and Adjournment debates replied to by Scottish Ministers might be taken in the Scottish Grand Committee. The aim of such changes would be to increase the time available for Back Bench MPs to question Ministers. It was suggested that Questions for oral answer which were not reached on the Floor of the House, might be "carried forward" to the Committee. It was felt that the resulting loss of immediacy would be unacceptable. An alternative idea was that Questions in the Scottish Grand Committee should be listed separately from Questions on the Floor of the House, perhaps leading to longer and more detailed exchanges in the particular topics at issue. Adjournment Debates in the Committee might be taken at the close of a morning session: it was noted

that there could be some advantages in having subjects debated in the course of the day rather than late at night.

6. The Group noted however that unless a change on the lines discussed at paragraph 4(7) above on the right to attend were made, Members who were not on the Scottish Grand Committee could not ask supplementary Questions of Scottish Ministers or participate in Adjournment Debates taken by them. The most serious problem was the effect which such arrangements could have on the opportunities for Members representing Scottish constituencies on the Floor of the House. The Group came to the view that Questions and Adjournment Debates in the Scottish Grand Committee would be likely to result in a counterbalancing loss to Members representing Scottish constituencies of the opportunity to table Questions and obtain Adjournment debates on the Floor of the House. In these circumstances the Group decided that they would not recommend such changes.

7. The possibility of making greater use of the Scottish Grand Committee for legislation was considered, in particular the suggestion that the Report stage of Scottish Bills might be taken in Scottish Grand Committee. It was noted however that where the Government of the day was in a minority in the Grand Committee it would have to be in a position to ensure by partial recommittal of the Bill to the House that its proposals were not frustrated by defeats at Report stage. The effect of this would be that in practice only non-controversial Bills would be referred at Report Stage to the Scottish Grand Committee. There would be very little advantage in taking such Bills in Grand Committee on Report. It was concluded that this change should not be implemented.

Matter left over for decision by the House

8. The Group considered the possibilities of sittings of the Scottish Grand and Standing Committees in Edinburgh. Whilst such sittings might help to stimulate interest in Scotland in the proceedings of Parliament, they would not increase the opportunities for such Committees to deal with Scottish business. Moreover, such sittings away from Westminster would pose formidable practical and organisational problems. Unless business at Westminster could be so arranged that no subject of concern to Scottish Members took place while Scottish Committees were sitting in Edinburgh, the change would result in a major weakening of Scottish Members' rights to participate fully in Parliament. It was felt to be very unlikely that such arrangements could be made. It was suggested that the meetings of the Select Committee on Scottish Affairs which had been held in Scotland were likely to be a much more effective way of showing people in Scotland their MPs at work in scrutinising Government Departments. It was concluded therefore that there was no basis for a recommendation from the Inter-Party Group in favour of Edinburgh sittings for the Scottish Grand or Standing Committees. This was a matter on which individual Members would have different views and which would have to be decided by the House when it came to debate the Report of the talks.

August 1980.

CONFIDENTIAL

vb

Home Affairs

8 August 1980

We spoke earlier in the week about Mr. Iain Sproat's intervention over the Report of the All Party Talks on the Government of Scotland.

I confirm that the Prime Minister is content with the further revision which has been proposed to meet Mr. Sproat's concerns.

MAP

Robin Birch, Esq.,
Office of the Chancellor of the Duchy of Lancaster

CONFIDENTIAL

JS

PRIME MINISTER

The Government of Scotland Report is still causing difficulty.

Iain Sproat has written to the Chancellor of the Duchy of Lancaster, making the points which you initially raised about the proposals on added Members. Mr. Younger has had a word with Mr. Sproat. Mr. Sproat wants the Report to reflect the minority view. The Chancellor of the Duchy's office are therefore seeking Bruce Millan's agreement to a further redraft of the relevant paragraph which would now read:

> "Standing orders should be amended to remove the provision for the appointment of added Members to the Scottish Grand Committee. There was however a minority view that the present system of added Members should not be changed and it was suggested that provision should be made for Members representing constituencies other than Scottish constituencies to attend and speak (but not to vote, move amendments or be counted in the quorum) and in the Scottish Grand Committee. There was no agreement on this last point but the Government recommends that such a provision should be made. It was agreed that the quorum of the Committee should be reduced from 17 to 10."

I attach a copy of Iain Sproat's letter.

Agree revised draft MT

6 August 1980

46.

HOUSE OF COMMONS
LONDON SW1A 0AA

5th August 1980

Dear Norman,

Thank you for your draft Report on the Government of Scotland: Inter Party Talks. I agree with everything except paragraph 4(7). I see no advantage to the House and to the Conservative Party in changing the present system of membership and voting.

First, in practice very few M.P.s sitting for non-Scottish seats do attend, although occasionally, as during sittings in the current session, there have indeed been useful, if brief, contributions from Members sitting for English seats. For example, in two recent sittings of the Scottish Grand Committee, Nick Lyell made a valuable legal point contrasting Scottish and English law, and Tim Eggar also made a striking point about monetary theories. Since we are all British M.P.s, not Scottish or English, it would seem to me a dangerous precedent if we prevented M.P.s from speaking in a committee, of which they were a member, simply on grounds of geography. That is a quite different principle from not voting on Statutory Instruments Committees, where a Member is, or is not, selected according to interest, not geography.

Second, on a more practical ground, since the Conservative Party is currently in a substantial minority in Scotland, it could give rise to considerable embarrassment, were the Labour Party so minded, for the Labour Party to defeat us in the Scottish Grand Committee, as, indeed, on the only occasion I can ever recall there being a vote, we defeated them on the subject of colleges of education, to their

...../2

enormous political embarrassment in Scotland. I would not like to see them able to turn the tables on us in such a way, and we be powerless to do anything about it. It is one thing for us to have caught them out on a vote, as happened over the colleges of education vote, because of slack whipping on their side: it would be quite another matter to know that we could always be defeated humiliatingly, however good the whipping was on our side.

Third, certainly the question of added Members to the Scottish Grand Committee, although important in House of Commons terms, is too arcane to make any impact in public relations terms in Scotland were it to be changed in the manner suggested in the Report.

On these three grounds, therefore, as I think I indicated at the time, I would be opposed to such a change.

Yours ever,

Ian

c.c. The Rt. Hon. George Younger, M.P.

The Rt. Hon. Norman St. John-Stevas, M.P.
Chancellor of the Duchy of Lancaster,
Cabinet Office,
Whitehall,
London, SW1A 2AS

Home Affairs TOMP

4 August 1980

Thank you for copying us your minute of 30 July to Mr. Townley about the inter-party talks on the government of Scotland.

The Prime Minister is content with the amendment requested by Mr. Millan, provided this is acceptable to the Secretary of State for Scotland.

I am sending copies of this letter to John Wilson (Scottish Office) and David Wright (Cabinet Office).

M. A. PATTISON

R.A. Birch, Esq.,
Office of the Chancellor of the Duchy of Lancaster.

PRIME MINISTER

When you saw the report of the inter-party talks on the government of Scotland, you asked for one paragraph of their recommendations to be altered. The text then read:

> "Standing Orders should be amended to remove the provision for the appointment of Added Members to the Scottish Grand Committee. The Government recommends that provision should be made for Members representing constituencies other than Scottish constituencies to attend and speak (but not to vote, move amendments or be counted in the Quorum) in the Scottish Grand Committee. The Quorum of the Committee should be reduced from 17 to 10."

The attached note reports that Bruce Millan has asked for a further amendment. His version would note that there was disagreement in the all-party group, but that the Government is making that recommendation.

Are you content to accept Mr. Millan's amendment?

Yes - if the Chancellor is.

MF

31 July 1980

Mr Townley

cc: John Wilson (SO)
Nick Sanders (No 10)

INTER-PARTY TALKS ON SCOTLAND

We have had two comments from Bruce Millan on the draft report on the inter-party talks, both of which look acceptable, which I would be glad if you would consider urgently.

The more substantial one is a redraft of paragraph 4(7), to read as follows:

> "Standing Orders should be amended to remove the provision for the appointment of added Members to the Scottish Grand Committee. It was suggested that provision should be made for Members representing constituencies other than Scottish constituencies to attend and speak (but not to vote, move amendments or be counted in the quorum) in the Scottish Grand Committee. There was no agreement on this matter but the Government recommends that such a provision should be made. It was agreed that the quorum of the Committee should be reduced from 17 to 10."

As the Prime Minister commented at a previous stage on this paragraph of the text, I am sending a copy of this minute to Nick Sanders as well as to John Wilson for any comments he may have.

Mr Millan has also suggested that paragraph 8 should have a new headline of its own, "Matter left over for decision by the House"; this avoids causing paragraph 8 to appear under the paragraph, "Suggestions not pursued", and seems wholly acceptable.

RAB

R A BIRCH

30 July 1980

31 JUL 1980

Home Affs. Sec

10 DOWNING STREET

From the Private Secretary

23 July 1980

Thank you for your letter of 22 July, responding to the Prime Minister's doubts about the "added member" proposal in the report of the inter-Party talks on the Government of Scotland.

The Prime Minister would like to see recommendation 7 amended in the form proposed in your letter. Subject to this change, she is content that the consultations with the other participants in the talks may now go ahead, in the light of the background set out in your letter.

I am sending copies of this letter to John Halliday (Home Office), Godfrey Robson (Scottish Office), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

M. A. PATTISON

Miss Petra Laidlaw,
Office of the Chancellor of the Duchy of Lancaster.

PRIME MINISTER

You queried one proposal in the suggested Government recommendations following inter-Party discussions on the government of Scotland. This was that the provision for the appointment of added members to the Scottish Grand Committee should be removed. You felt this could cause problems for the Government whose influence would be seen to be reduced.

The attached letter from the Chancellor of the Duchy's Office records the discussions on this particular point, and offers a suggestion for a further revision of the recommendation in question.

Would you like the consultations to go ahead, subject to the amendment suggested by Mr. St.John-Stevas?

Yes ms.

MTF

22 July 1980

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

22 July 1980

Dear Nick

Thank you for your letter of 9 July recording the Prime Minister's reaction to the "added member" proposal in the Report of the inter-party talks on the government of Scotland.

Under the present arrangements up to 15 added members may be nominated to the Scottish Grand Committee in an attempt to reflect the balance of parties on the Floor of the House. In putting forward the proposal to discontinue this provision both the Chancellor of the Duchy and the Secretary of State for Scotland were very much influenced by two important facts. First, that even with the maximum number of added members the Government does not have a majority in the Scottish Grand Committee. Second, the Committee has no executive powers; its proceedings are largely of a deliberative nature and any vote on a matter considered there is a technical rather than a substantive motion. Moreover it was thought that the use of the present provision tends to accentuate the fact of the Government's minority position on the Committee.

The Chancellor of the Duchy together with the Secretary of State for Scotland discussed all the proposals in the Report with the Chief Whip at an early stage in the conduct of the inter-party talks. On this specific proposal the Chief Whip had suggested that an alternative proposal might be to discontinue the added member provision and replace it with an arrangement whereby the number of members entitled to vote in the Committee should be limited so as to give the Government of the day a majority in the Committee. This suggestion was put to the Opposition party representatives but, predictably perhaps, provoked severe criticism and left both the Chancellor and the Secretary of State in no doubt that this idea would never be acceptable to the Labour Party and moreover would be certain to expose the Government to extremely adverse comment in Scotland.

It may be however that the second sentence of recommendation 7 could be usefully strengthened, by substituting the words "The Government recommends that provision should be made ..." in place of the existing "The House should be invited to

consider whether provision should be made ..."

I hope this letter has clarified the position. May we now initiate the consultations with other participants in the talks as indicated in the Chancellor's letter of 27 June to the Home Secretary?

I am sending copies of this letter to John Halliday (Home Office), Godfrey Robson (Scottish Office), Murdo MacLean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours sincerely

Pat Laidlaw

MISS P LAIDLAW
Private Secretary

N Sanders Esq
Private Secretary
10 Downing Street
SW1

CONFIDENTIAL

Home Affairs D

10 DOWNING STREET

B/F 16-7-80

From the Private Secretary

9 July 1980

Dear Robin

The Prime Minister has seen a copy of the Chancellor of the Duchy's letter of 27 June to the Home Secretary reporting the outcome of the inter-party talks on the Government of Scotland. I am sorry that we have not commented to you before, but I am afraid that the copy of the letter originally intended for us never found its way here, and the papers only came to our attention when the Prime Minister's reactions were sought earlier this week.

The Prime Minister has one query on the draft report enclosed with the Chancellor of the Duchy's letter. In respect of the recommendations set out in paragraph 4 she has asked whether item 7 might be difficult for the Government, because its influence on the Committee would be seen to be reduced.

Subject to clarification on this point, the Prime Minister would be content for the Chancellor of the Duchy and Secretary of State for Scotland to proceed as they propose.

I am sending copies of this letter to John Halliday (Home Office), Godfrey Robson (Scottish Office), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours ever

Mike Pattison

R.A. Birch, Esq.,
Chancellor of the Duchy of Lancaster's Office.

CONFIDENTIAL

1. MR. SANDERS MS

2. PRIME MINISTER

Here is the Chancellor of the Duchy's report to H Committee colleagues on the inter-party talks about the government of Scotland.

I think you already know that the talks were insubstantial, and concentrated on the role of the Scottish Grand Committee, and the prospects of other Parliamentary Committees meeting from time to time in Scotland.

The Chancellor of the Duchy and the Secretary of State for Scotland propose to make the report available to Members generally by lodging copies in the Libraries of both Houses and announcing the Government's response to it. They suggest that the Government should accept the recommendations set out in paragraph 4.

Content that the Chancellor of the Duchy and the Secretary of State for Scotland should proceed as proposed?

Would 4(2) not MH be different if MPs on the committee could be seen as reduced.

8 July 1980

Civil Service Department
Whitehall London SW1A 2AZ
01-273 4400

7 July 1980

The Rt Hon Norman St John Stevas, MP
Chancellor of the Duchy of Lancaster
Privy Council Office
68 Whitehall
LONDON SW1A 2AT

Dear Norman,

GOVERNMENT OF SCOTLAND: INTER-PARTY TALKS — requested

Thank you for sending me a copy of your letter of 27 June to Willie Whitelaw, recording the conclusions of the inter-party talks which you and George Younger have arranged and carried out.

This seems to me eminently satisfactory, and for my part I am more than content that you should proceed as you propose.

I am sending copies of this letter to the recipients of yours.

Yours ever

Christopher

SOAMES

PRIVY COUNCIL OFFICE
WHITEHALL. LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

27 June 1980

Dear Willie.

GOVERNMENT OF SCOTLAND: INTER PARTY TALKS

Following consideration by H Committee of the memorandum by the Secretary of State for Scotland and me (H (79) 62) on 16 October 1979 it was agreed that George Younger and I should seek to initiate all-party talks on the government of Scotland. We had bilateral discussions with the other parties representing Scottish constituencies in Parliament in the autumn of 1979 and the early months of this year, and although the Scottish National Party declined to participate in joint talks, the Labour and Liberal Parties eventually agreed to do so.

We had two meetings, one in April and one in May, and at the second of these we completed the discussions. To ensure that representatives of the Government and Opposition Backbenches were aware of and able to express a view on the various suggestions for change in House procedures, we invited spokesmen for the backbenches to attend the second meeting. We kept the Chief Whip informed of developments, and the Scottish Governemnt and Opposition Whips attended the second meeting.

The atmosphere at the talks was cordial and constructive. The outcome was to confine proposals for reform to some relatively minor changes in the arrangements for debates in the Scottish Grand Committee - essentially to guarantee more of them and to give the Opposition parties a greater say in the choice of topic for debate. It was also agreed to recommend that the provision for added members to the Scottish Grand Committee should be abolished - the existing provision is insufficient to secure us a majority in the Scottish Grand Committee and, since the Committee's powers are limited to referring matters to the House for decision, there is really no point in trying to ensure the Government of the day is able to carry votes in the Committee. There was no support for the more radical ideas of holding Scottish Questions or Adjournment Debates in the Scottish Grand Committee or of holding meetings of Scottish Grand or Standing Committees in Edinburgh.

George Younger and I undertook to prepare a report setting out the conclusions and to clear its terms with the other participants. Before doing so we thought it right to let you and H Committee colleagues know how matters have developed. After the report has been cleared with the other participants we would want to make it available to Members generally. I think this might best be done by lodging copies in the Libraries of both Houses; and when we reach that stage we should be ready to announce the Government's response to it.

The report is very modest in the changes which it proposes, but there was agreement among those participating that it was not possible to go further in making recommendations to the House. I hope we can agree by means of this correspondence that we should now clear the terms of the enclosed draft report with the other participants and that when this has been done the report should be made public in the way proposed and that the Government should announce its support for the recommendations in it.

I should be grateful if you and other members of H Committee, to whom I am sending a copy of this letter and the draft report, would let me know by the end of next week if you are content that we should proceed in this way. I am also sending a copy of my letter and the draft report to the Prime Minister and the Chief Whip.

Yours ever,

N

The Rt Hon William Whitelaw, CH, MC, MP
Home Secretary
Home Department
Queen Anne's Gate
SW1

DRAFT

GOVERNMENT OF SCOTLAND:

REPORT OF AN INTER-PARTY GROUP

1. Following discussions in the summer and autumn of 1979 between the Government and other parties representing Scottish constituencies in Parliament, Inter-Party Talks were held in April and May 1980 with the following terms of reference:-

> "To consider whether the present system of government in Scotland could be improved by changes in the procedures, powers and operational arrangements for dealing with Scottish Parliamentary business."

The Scottish National Party were invited by the Government to join in the talks but declined to do so. In participating the representatives of the Labour and Liberal parties recorded their view that the Talks were not concerned with devolution as they understood the term.

2. Two meetings were held both of which the Leader of the House chaired. The Secretary of State for Scotland attended for the Government, the Rt Hon Bruce Millan for the Labour Party and Mr Russell Johnston for the Liberal Party. For the second meeting, in addition to Mr Iain Sproat and Mr Neil Carmichael representing their respective Back Bench Members, the Scottish Government Whip Lord James Douglas-Hamilton and the official Scottish Opposition Whip Mr Hugh McCartney also attended.

3. The Government tabled information Papers which were made available in the Libraries of both Houses of Parliament. These Papers assembled for discussion various suggestions for possible changes in the way Scottish Parliamentary business is handled. The suggestions had emerged in the bi-lateral discussions between the Government and the other parties.

Changes recommended

4. After consideration of the various suggestions it was agreed that the following changes should be recommended.

(1) The maximum number of Estimates Debates which, under Standing Orders, may at present be taken in Scottish Grand Committee (6) should in future be a guaranteed minimum of 6.

(2) The maximum number of Matter Day Debates which, under Standing Orders, may at present be taken in Scottish Grand Committee (2) should be increased to 6; where the Opposition parties so request, a minimum of 4 Matter Day Debates should be held.

(3) The choice of topic for Estimates Debates should remain, by convention, with the Opposition.

(4) The choice of topic for Matter Day Debates, which at present lies by convention with the Government, should in future be shared between the Government and the Opposition.

(5) The Official Opposition should commit itself at the start of each Parliament to an appropriate allocation to the other Opposition parties of the choice of topic for Estimates and Matter Day Debates.

(6) The Government should aim to spread the increased number of Matter Day Debates as evenly as possible throughout the Parliamentary session.

(7) Standing Orders should be amended to remove the provision for the appointment of Added Members to the Scottish Grand Committee. The House should be invited to consider whether provision should be made for Members representing constituencies other than Scottish constituencies to attend and speak (but not to vote, move amendments or be counted in the Quorum) in the Scottish Grand Committee. The Quorum of the Committee should be reduced from 17 to 10.

Suggestions not pursued

5. Consideration was given to the suggestions that Scottish Questions and Adjournment debates replied to by Scottish Ministers might be taken in the Scottish Grand Committee. The aim of such

changes would be to increase the time available for Back Bench MPs to question Ministers. It was suggested that Questions for oral answer which were not reached on the Floor of the House, might be "carried forward" to the Committee. It was felt that the resulting loss of immediacy would be unacceptable. An alternative idea was that Questions in the Scottish Grand Committee should be listed separately from Questions on the Floor of the House, perhaps leading to longer and more detailed exchanges in the particular topics at issue. Adjournment Debates in the Committee might be taken at the close of a morning session: it was noted that there could be some advantages in having subjects debated in the course of the day rather than late at night.

6. The Group notes however that unless a change on the lines discussed at paragraph 4(7) above on the right to attend were made, Members who were not on the Scottish Grand Committee could not ask supplementary Questions of Scottish Ministers or participate in Adjournment Debates taken by them. The most serious problem was the effect which such arrangements could have on the opportunities for Members representing Scottish constituencies on the Floor of the House. The Group came to the view that Questions and Adjournment Debates in the Scottish Grand Committee would be likely to result in a counterbalancing loss to Members representing Scottish constituencies of the opportunity to table Questions and obtain Adjournment debates on the Floor of the House. In these circumstances the Group decided that they would not recommend such changes.

7. The possibility of making greater use of the Scottish Grand

...

Committee for legislation was considered, in particular the suggestion that the Report stage of Scottish Bills might be taken in Scottish Grand Committee. It was noted however that where the Government of the day was in a minority in the Grand Committee it would have to be in a position to ensure by partial recommittal of the Bill to the House that its proposals were not frustrated by defeats at Report stage. The effect of this would be that in practice only non-controversial Bills would be referred at Report Stage to the Scottish Grand Committee. There would be very little advantage in taking such Bills in Grand Committee on Report. It was concluded that this change should not be implemented.

8. The Group considered the possibilities of sittings of the Scottish Grand and Standing Committees in Edinburgh. Whilst such sittings might help to stimulate interest in Scotland in the proceedings of Parliament, they would not increase the opportunities for such Committees to deal with Scottish business. Moreover, such sittings away from Westminster would pose formidable practical and organisational problems. Unless business at Westminster could be so arranged that no subject of concern to Scottish Members took place while Scottish Committees were sitting in Edinburgh, the change would result in a major weakening of Scottish Members' rights to participate fully in Parliament. It was felt to be very unlikely that such arrangements could be made. It was suggested that the meetings of the Select Committee on Scottish Affairs which had been held in Scotland were likely to be a much more effective way of showing people in Scotland their

MPs at work in scrutinising Government Departments. It was concluded therefore that there was no basis for a recommendation from the Inter Party Group in favour of Edinburgh sittings for the Scottish Grand or Standing Committees. This was a matter on which individual Members would have different views and which would have to be decided by the House when it came to debate the Report of the talks.

Home Affairs

C(80) 8th Concs Hem 1 (Extract) 28.2.80

Government of Scotland (Scottish Convention) Bill

THE SECRETARY OF STATE FOR SCOTLAND said that Mr Gordon Wilson, MP, would seek leave on 4 March to introduce a ten-minute rule Bill to establish an elected Convention in Scotland which would draw up proposals for the Government of Scotland by an elected Assembly. It was the normal practice for the Government not to oppose the introduction of ten-minute rule Bills but to ensure that their further progress was blocked. He understood, however, that Mr Tam Dalyell, MP, would speak against the Motion, and Government backbenchers from Scotland thought that the Bill should be opposed. In his view the Government should arrange for the Motion to be defeated.

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet agreed that, if Government backbenchers from Scotland were determined to vote against Mr Wilson's Motion, the Chief Whip should take the necessary steps to ensure that the Motion was defeated.

The Cabinet -

6. Invited the Chief Whip to arrange for the Motion to give leave to introduce a Government of Scotland (Scottish Convention) Bill to be defeated.

CONFIDENTIAL

MO PPS

with compliments

Private Secretary to
CHANCELLOR OF THE DUCHY OF LANCASTER
68 Whitehall London SW1A 2AS
Telephone 01-233-7113

Home Affairs

PRIVY COUNCIL OFFICE
WHITEHALL. LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

18 February 1980

Dear Godfrey

Your Secretary of State will be interested to see the attached letter from Russell Johnston MP in which he confirms that he will attend the discussions about the improvement of the handling of Scottish business.

I am copying this letter to Mike Pattison (No 10).

Yours ever
John Stevens

J W STEVENS
Private Secretary

Godfrey Robson Esq
Private Secretary to the Secretary
of State for Scotland
Scottish Office
Whitehall

From: Russell Johnston, M.P.

4

HOUSE OF COMMONS
LONDON SW1A 0AA

15th February 1980

Dear Norman,

I have your letter of 22nd January.

If the Government wishes to undertake discussions about the improvement of the handling of Scottish business within the Westminster context, the Liberal Party would be prepared to enter such discussions.

This exercise, however, is not to be confused with All-Party talks on Devolution, which now appear to be in abeyance.

I understand from having discussed the situation with Bruce Millan that your officials are preparing a paper as a guide to the existing structure and I look forward to seeing it and hearing from you.

Yours sincerely,

Russell

The Rt. Hon. Norman St. John Stevas, M.P.
Chancellor of the Duchy of Lancaster
Privy Council Office,
Whitehall,
London, S.W.1.

18 FEB 1980

From: THE RT HON DONALD STEWART, MP

cc: Mr Pattison (No 10)
Mr Robson (SO)
Mr Hyde
Mr Townley
Mr Maclean
Liz Hall

HOUSE OF COMMONS
LONDON SW1A 0AA

25 January 1980

The Rt Hon Norman St John-Stevas, MP
Chancellor of the Duchy of Lancaster
and Leader of the House of Commons
Privy Council Office
Whitehall
LONDON SW1

Dear Norman

GOVERNMENT OF SCOTLAND

Thank you for your letter of 17 January. I note that agreement has been reached with the Labour Party for joint discussion of the items on the Agenda.

Since these are entirely minimal changes and have nothing to do with the Government of Scotland I am sorry that we cannot change our previous decision not to participate in the talks.

Yours sincerely

Donald Stewart

DONALD STEWART, MP

(Dictated by Mr Stewart and signed in his absence.)

CC: G ROBSON (SCOTTISH OFFICE
MIKE PATTISON (NO 10)
PETER HARROP
MR TOWNLEY
MR MACLEAN

Home Affairs

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

22 January 1980

Dear Russell.

Thank you for your letter of 18 January.

I am sorry you feel as you do about the Government's approach to the proposed all-party talks. I doubt however if we will advance matters by going over what we took each other to mean in the course of the bilaterals. May I suggest that we concentrate instead on what can be done now?

The agenda items which we have assembled touch on aspects of the handling of Scottish Parliamentary business where there may be scope for improvement. On that, at any rate, I think we are generally agreed. I hope we can all agree too that it is worthwhile looking at these possibilities of increasing the awareness and knowledge of the Scottish people about how they are governed. There may well be other ideas which would repay study, and we should welcome your thoughts on this. We believe however that consideration of the items we have tabled would be a start; and I very much hope that you will join us in making that start.

With best wishes

Yours ever

Norman Stf.

Russell Johnston Esq MP
House of Commons

24 JAN 1980

With the Compliments

of the

Private Secretary

Scottish Office,
Dover House,
Whitehall,
London SW1A 2AU.

Home Affairs

SECRETARY OF STATE FOR SCOTLAND

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

John Stevens Esq
Private Secretary to the
Chancellor of the Duchy of
Lancaster
Privy Council Office
Whitehall
LONDON
SW1A 2AT

22 January 1980

Not needed
will request
if necessary

Dear John,

Thank you for your letter of 21 January about Mr Russell Johnston's response to the proposal for all-Party talks on the Government of Scotland.

My Secretary of State agrees that a fairly emolient reply is called for, and I attach a draft which the Chancellor of the Duchy may care to send today.

We have also agreed in discussion the terms of the Answer which we have to give this afternoon to Mr Allan Stewart's Question. I attach a copy of the agreed text.

Copies of this letter go to Mike Pattison (No 10), Peter Harrop (Cabinet Office).

Yours sincerely,

Godfrey Robson

GODFREY ROBSON
Private Secretary

DRAFT LETTER FOR THE CHANCELLOR OF THE DUCHY OF LANCASTER TO SEND TO:-

Mr Russell Johnston MP
House of Commons
LONDON
SW1A OAA

Thank you for your letter of 18 January.

I am sorry you feel as you do about the Government's approach to the proposed all-party talks. I doubt however if we will advance matters by going over what we took each other to mean in the course of the bilaterals. May I suggest that we concentrate instead on what can be done now?

The agenda items which we have assembled touch on aspects of the handling of Scottish Parliamentary business where there may be scope for improvement. On that, at any rate, I think we are generally agreed. I hope we can all agree too that it is worthwhile looking at these possibilities of increasing the awareness and knowledge of the Scottish people about how they are governed. There may well be other ideas of this sort which would repay study, and we should welcome your thoughts on this. We believe however that consideration of the items we have tabled would be a start; and I very much hope that you will join us in making that start.

TUESDAY 22 JANUARY 1980 WRITTEN

HOUSE OF COMMONS

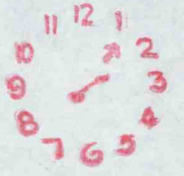
136 MR ALLAN STEWART: To ask the Secretary of State for Scotland, what progress has been made to establish talks about the government of Scotland.

MR GEORGE YOUNGER:

Following discussions between the Government and the other parties represented in Scotland talks are to be established on ways of improving the government of Scotland through changes in the way Scottish business is handled in Parliament. The Labour Party have already agreed to take part and my rt hon Friend the Chancellor of the Duchy of Lancaster and I still hope to secure the participation of the other two parties.

SCOTTISH OFFICE

22 JAN 1980



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Home Affairs

10 DOWNING STREET

PRIME MINISTER

You have seen a record of Mr St John Stevas' conversation with Michael Foot, resulting in Labour Party agreement to join in talks about the Government of Scotland.

Mr St John Stevas has also been trying to get Mr Russell Johnston to take part. He has been proving somewhat difficult. I attach a copy of Mr St John Stevas' latest letter to him. Mr Johnston is threatening to publish this over the weekend. This is unfortunate - the intention was to report progress in a written answer next week.

I also attach a copy of Mr St John Stevas' latest letter to Donald Stewart, seeking SNP participation. A refusal is expected.

18 January 1980

CC: MR PATTISON, NO 10
SCOTTISH OFFICE
MS L HALL
MR HYDE
MR TOWNLEY

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

17 January 1980

Thank you for your letter of 22 November about the proposed all-party talks on the government of Scotland. I have not replied sooner because I thought it important to discover first of all the reactions of the Labour Party to our proposals.

I think it is important to distinguish between the terms of reference for the talks and the agenda on which the talks would be based. As I indicated in my letter of 19 July, the idea of tabling terms of reference and an agenda came from the Labour Party who argued that if discussion was not sufficiently structured it would be unlikely to achieve anything other than yet a further airing of the well-known positions of each of the Parties. In that letter I invited you to let me know if there was anything you particularly wished to see embodied in the terms of reference or agenda.

As I said in my letter of 24 October the items proposed for the agenda were simply a bringing together of ideas which, in the light of the bi-lateral discussions, we thought might be covered. If other Parties wish other items put on the agenda, we shall gladly consider them provided they are consistent with the terms of reference.

The terms of reference represent the Government's considered view of the best course available following the outcome of the referendum on the Scotland Act. George Younger went over the Government's position during the Debate on the Scotland Act Repeal Order. He explained why we were not prepared to pursue the possibility of an assembly or executive on the lines of the Scotland Act, and there would therefore seem to be little point in discussing this particular proposal.

I confess I am surprised that you now make such discussion a condition of participation in the talks. I formed the impression at the meeting which George Younger and I had with you on 28 June that, although you doubted whether proposals for changing the manner of handling parliamentary

Contd...

business would provide sufficient justification for talks, you would be prepared to take part if other Parties and in particular the Labour Party were agreeable.

Since you wrote we have had further exchanges with the Labour Party, and they have now indicated that they are willing to join us in considering how the handling of Scottish parliamentary business can be improved. I had hoped to discuss this development with you yesterday but unfortunately this could not be managed. But I do hope that in the light of this development you also will feel able to take part.

Russell Johnston Esq, MP
House of Commons
London
SW1

CC: MR PATTISON, NO 10 ✓
SCOTTISH OFFICE
MS L HALL
MR HYDE
MR TOWNLEY

Privy Council Office
WHITEHALL LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

17 January 1980

GOVERNMENT OF SCOTLAND

Although you said in your letter of 7 November that you would not be interested in taking part in the proposed talks, you indicated that you considered the agenda items useful in themselves as matters for discussion. You will be interested to know therefore that agreement has now been reached with the Labour Party for joint discussion of these items, and I very much hope that the Liberals will agree to join also. We would of course be very pleased if you did decide after all to participate.

N. St.J S.

The Rt Hon Donald J Stewart, MP
House of Commons
London
SW1

Home Affs

10 DOWNING STREET

PRIME MINISTER

This report from the Chancellor of the Duchy's Office shows that the Opposition have now agreed to join discussions on the Government of Scotland.

There is no great sense of urgency from their side on the matter. They have left the Government to prepare a paper to serve as a basis for talks. They have accepted that the Government will not cover the matter of an inquisitoral assembly, but they have not ruled out the possibility of this topic coming up during the talks.

17 January 1980

CC: MR PATTISON, NO 10 ✓
SCOTTISH OFFICE
MS L HALL
MR HYDE
MR TOWNLEY

Privy Council Office
Whitehall London SW1A 2AT

Chancellor of the Duchy of Lancaster

17 January 1980

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N. St.J S.

The Rt Hon Donald J Stewart, MP
House of Commons
London
SW1

Home Affs

10 DOWNING STREET

PRIME MINISTER

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17 January 1980

PRIVY COUNCIL OFFICE
WHITEHALL LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

17 January 1980

Dear Godfrey

GOVERNMENT OF SCOTLAND

The Chancellor of the Duchy and your Secretary of State discussed with Mr Foot and Mr Millan yesterday afternoon the Labour Party's response to the Government's proposals for substantive talks to consider the arrangements for dealing with Scottish parliamentary business.

Mr Foot said there was little to add to his letter of 17 December to the Chancellor of the Duchy. The Opposition believed the Government had "killed off" further discussion about real devolution. What had been proposed was concerned solely with the management of Scottish parliamentary business. The Opposition was not averse to discussing this, but it was not devolution.

The Chancellor of the Duchy said that at the meeting on 19 July there had been general agreement that there would be little value in talks which led only to restatement of already well-known views, and the Government saw no point in going over the ground again about the establishment of a Scottish assembly with executive or legislative powers. Neither did it wish to propose that the agenda should include consideration of an Inquisitorial Assembly. But if the Labour Party thought this aspect should be included the Government would not object. During the debate on the repeal of the Scotland Act on 20 June 1979 the Government had made clear the considerations which led it to conclude that the right way to start the talks would be to consider the scope for improving the handling of Scottish parliamentary business. There could be real value in this approach, and he would regard any such improvements as linked to devolution.

Mr Millan said that the Government might wish to present its proposals in that light, but the Opposition believed the Government had made it explicit that real devolution was not on its agenda. But, he was not averse to talks aimed at improvements in the arrangement of Scottish business.

Contd...

The meeting then agreed unanimously that, without commitment, such discussions should take place.

Mr Millan suggested that the Government should prepare a paper to serve as a basis for the talks. This paper should describe the present arrangements, discuss the scope (including any difficulties) for securing improvements, and make proposals. The matter of an Inquisitorial Assembly should not be covered in the paper. But if this aspect became relevant during the talks it could be considered. He appreciated that such a paper could take some time to prepare. Both Ministers welcomed the suggestion and undertook to send a draft to Mr Millan for his comments. It was agreed that the finished paper would be made generally available to interested Members, and could be published.

In response to your Secretary of State, the Labour Party representatives agreed:

1. that the outcome of this meeting could be conveyed to the Liberals and SNP;

2. that while it was likely that the SNP would repeat their firm refusal to attend the talks, if they wished to participate they could, of course, do so;

3. that there should be a maximum of two or three representatives from each party. These should be Members of the House of Commons, but if the Liberals participated there would be no objection to their nominating a Member from the House of Lords in addition to a Member from the Commons;

4. When the Liberals and SNP had been informed, a PQ should be arranged to tell the House about further talks. The matter could be raised during the Chancellor's business statement on Thursday 17 January, in which case he would tell the House then (although the attitude of the Liberals and SNP might not be known by then).

Detailed arrangements for establishing the talks would be considered after the preparation of the Government paper.

I am copying this to Nick Sanders (No 10) John Chilcot (Home

Contd...

Office), Peter Harrop and Martin Vile (Cabinet Office) and Murdo MacLean (No 12). No doubt Scottish Office officials will discuss with Cabinet Office as necessary the arrangements for preparing the paper.

Yours ever
John Stevens

J W STEVENS
Private Secretary

Godfrey Robson Esq
Private Secretary to the Secretary
of State for Scotland
Scottish Office
Dover House
Whitehall
SW1

17 JAN 1980

RH

SO
WO
NIO
FO

Original in G/R, 10/12.
Home Affairs

CF to note

10 DOWNING STREET

THE PRIME MINISTER

12 December 1979

Dear Mr Stewart

Thank you for your letter of 28 November signed also by Gordon Wilson, Dafydd Elis Thomas and Dafydd Wigley about the government of Scotland and Wales.

I do not think that a valid and useful comparison can be drawn between Northern Ireland on the one hand and Scotland and Wales on the other. One thing on which we agree with the previous Administration is that Northern Ireland is in quite a different position from any other part of the United Kingdom. What we should surely concentrate upon are the different needs of the people in the different parts of the United Kingdom, and we should design any changes to fit in with these needs.

You complain that the initiative now being taken by the Government on Northern Ireland goes much further than that currently proposed for Scotland and Wales. But this is to ignore the fact that there has already been an extended period of consultation about Scotland and Wales, with White Papers, legislation spread over 2 Parliamentary sessions, and consultative referendums to test the opinions of the Scottish and Welsh people themselves. The people of Wales rejected decisively the previous Government's scheme of devolution for Wales and in Scotland less than one third of the electorate supported the Scotland Act.

/You asked

RH

You asked whether it was planned to hold a referendum on any new arrangements proposed for Northern Ireland. The Secretary of State for Northern Ireland has already made clear that the Government does not rule out a referendum in Northern Ireland as a test of public opinion but that it is as yet too early to decide whether it would serve a useful purpose. It follows that it is also too early to say whether any referendum should contain a 40% threshold. Should a referendum be held, the final decision would of course remain with Parliament.

Turning now to the current situation in Scotland and Wales, the position as I see it is as follows. In Wales the majority expressed support for the status quo and we see no reason to look for alternative forms of government. We have not ignored the 1.2 million people who voted for the Scotland Act and we continue to hope that the other Parties will be prepared to join with the Government in examining ways of improving the government of Scotland.

I am copying this letter to Gordon Wilson, Dafydd Elis Thomas and Dafydd Wigley.

Yours sincerely

MARGARET THATCHER

The Right Honourable D J Stewart MP

Home Affairs

File

10 DOWNING STREET

From the Private Secretary

22 October 1979

The Prime Minister has seen and noted the Home Secretary's report, in his minute of 18 October, on recent developments over the Government of Scotland.

I am sending copies of this letter to John Stevens (Chancellor of the Duchy of Lancaster's Office), Godfrey Robson (Scottish Office) and Martin Vile (Cabinet Office).

M. A. PATTISON

John Chilcot, Esq.,
Home Office.

CONFIDENTIAL

PRIME MINISTER

"X" is the point which concerned you in the H paper - copy attached

Hartley

MAF 18/x

PRIME MINISTER

THE GOVERNMENT OF SCOTLAND

I last minuted you on this subject on 24 May and 1 June. Since then, as you know, the Chancellor of the Duchy of Lancaster and the Secretary of State for Scotland have concluded a preliminary round of talks with the Labour, Liberal and Scottish National Parties. As a result, they agreed to propose terms of reference and an agenda which might form the basis for substantive talks.

So far, only the Liberal Party has shown willingness to participate unconditionally in talks on the government of Scotland. The Scottish National Party made it clear, and has since confirmed at their annual conference, that they do not wish to play a part in such talks. The Labour Party have reserved their position until they see our proposals.

At Home and Social Affairs Committee on 16 October, we discussed a memorandum by the Secretary of State for Scotland and the Chancellor of the Duchy of Lancaster. We agreed that they should put forward an agenda consisting only of proposals for Parliamentary reform with the following terms of reference:

> "To consider whether the present system of government in Scotland could be improved by changes in the procedures, powers and operational arrangements for dealing with Scottish Parliamentary business".

The Chancellor of the Duchy of Lancaster and the Secretary of State for Scotland will circulate a paper to the other Parties by way of agenda covering various proposals for the reform of

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Parliamentary arrangements relating to Scotland, with a view to improving the present system. The paper will make no mention of an inquisitorial assembly, but it would be difficult to rule out discussion if the other Parties wished to raise the matter.

We agreed that the Chancellor of the Duchy of Lancaster and the Secretary of State for Scotland should consider ways in which the views of the Government's supporters in Parliament on procedural questions could be taken into account in the talks.

There can be no certainty that the other Parties will agree to talks on the basis we are putting forward, nor if all-Party talks are held that they will have a fruitful outcome. Members of H Committee are, however, convinced that we must use our best endeavours to initiate all-Party talks if we are to fulfil the undertaking given in our election Manifesto.

I am copying this minute to members of the Cabinet and to members of Home and Social Affairs Committee who are not members of the Cabinet.

18 October 1979

CONFIDENTIAL

18 OCT 1979

H(79) 12th Mtg, Min 2

16.10.79

CONFIDENTIAL

2. THE GOVERNMENT OF SCOTLAND

Previous Reference: H(79) 1st Meeting, Minute 3

The Committee considered a memorandum by the Secretary of State for Scotland and the Chancellor of the Duchy of Lancaster (H(79) 62) on proposals for all-Party discussions on the government of Scotland.

THE SECRETARY OF STATE FOR SCOTLAND said that following the Committee's discussion on 23 May (H(79) 1st Meeting, Minute 3) the Chancellor of the Duchy of Lancaster and himself had held a preliminary round of bilateral talks with the Labour, Liberal and Scottish National Parties. In these talks, only the Liberal Party had expressed any willingness to participate unconditionally in substantive talks on the government of Scotland. The Scottish National Party had made it clear, and had since confirmed at their annual conference, that they wished to have no part in such talks; the Labour Party had reserved their position until they had seen the nature of the talks which the Government proposed. The memorandum now before the Committee (H(79) 62) suggested a basis on which talks should be held. The document attached to the memorandum was intended to outline an agenda for all-Party talks and not to set out the Government's own firm views on these issues. The paper concentrated on proposals for the reform of Parliamentary procedures and arrangements relating to Scotland, with a view to improving the present system. It gave no encouragement to any discussion of wider reforms, such as the establishment of an inquisitorial assembly. It would be difficult to rule out these matters, however, if other Parties wished to raise them. The preliminary discussions had shown a general disinterest in introducing reforms of any sort, and there had been little enthusiasm from the other Parties about having more meetings in Edinburgh. His own preference was for some meetings of Scottish Standing Committees to be held in Scotland. These Committees were composed entirely of Scottish Members, but with a Government majority. He sought the Committee's agreement to the terms of reference set out in paragraph 3 of the memorandum, and to discussion of the possible changes in Parliamentary procedures, powers and arrangements described in the annexed paper. The Government's initiative in promoting all-Party talks on these lines would fulfil the commitment given in the Conservative Party Manifesto.

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In discussion, the Committee recognised the need for the Government to seek all-Party talks on the government of Scotland in discharge of its Manifesto commitment. There could be no assurance, however, that the other Parties would agree to such talks or that the outcome would be successful. Many of the suggestions for Parliamentary reforms presented difficulties for the Government, particularly those relating to the Scottish Grand Committee. It would not, for example, be acceptable to Scottish Members to debar some of them from taking part in the discussions of that Committee in order to achieve a Government majority for the Second Reading of bills. Reference was made to the effect which meetings of the Scottish Grand Committee in Edinburgh could have on House of Commons business. In some Parliaments, the absence of Scottish Members might deprive the Government of its majority in the House, a situation which would either require the pairing of Government supporters with Opposition Members, or the holding of meetings in Scotland on Mondays or Fridays, or during Parliamentary recesses. These last arrangements would not be popular. The Committee also took note that matters of Parliamentary procedure were traditionally considered by backbenchers in the House. On this occasion all-Party talks would take place between frontbench spokesmen. The Government should seek ways of consulting their own supporters.

THE HOME SECRETARY, summing up the discussion, said that the Committee agreed that the Government must do its best to initiate all-Party talks on the government of Scotland. They agreed the terms of reference proposed for the talks and the agenda items discussed in the document attached to the memorandum. Any drafting amendments to the document which Members wished to put forward should be sent to the Secretary of State for Scotland as soon as possible. The Committee agreed that the Chancellor of the Duchy of Lancaster, in concert with the Secretary of State for Scotland, should seek to arrange all-Party discussions on the basis which had been agreed. The Chancellor of the Duchy and the Secretary of State should consider ways in which the views of the Government's supporters in Parliament on procedural questions could be taken into account in the talks. They should keep the Committee in touch with developments, as necessary. He would minute the Prime Minister, informing her of the outcome of the Committee's discussion.

The Committee -

Took note, with approval, of the Home Secretary's summing up of their discussion, and invited the Chancellor of the Duchy of Lancaster and the Secretary of State for Scotland to proceed accordingly.

RESTRICTED

3. "PEOPLE AND THEIR FAMILIES"

The Committee had before them a memorandum by the Central Police Review Staff (CPRS) (H(79) 63), setting out the arguments for and against publication of the CPRS report "People and their Families", a copy of which was annexed to the memorandum.

THE HOME SECRETARY, summing up a brief discussion, said that the Committee were unanimously in favour of publishing the report. There was wide public interest in policies affecting the family, and publication of the report would help to ensure that public discussion was based on the best information available. The report's existence was widely known. A decision not to publish might lead to its contents being leaked which would create political difficulties. The Treasury, who had earlier been opposed to publication, were not represented at the meeting. He would therefore minute the Chancellor of the Exchequer, saying that the Committee were unanimously agreed on publication and that unless he wished to pursue the matter further, publication would go ahead on the terms set out in paragraph 6 of the memorandum.

The Committee -

Took note, with approval, of the Home Secretary's summing up of their discussion.

Cabinet Office
17 October 1979

ACTION.

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PRIME MINISTER 2.
You should see state of Home Affairs
May on Scottish government

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

H(79)62

COPY NO 2.

10 October 1979

spoke to Cabinet Office + Scottish Office 12/x.

CABINET

HOME AND SOCIAL AFFAIRS COMMITTEE

GOVERNMENT OF SCOTLAND

Memorandum by the Secretary of State for Scotland and the Chancellor of the Duchy of Lancaster

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1. Before the recess the Scotland Act was repealed and we held a preliminary round of talks with the Labour, Liberal and Scottish National Parties. As a result we agreed to propose terms of reference and an agenda which might form the basis for substantive talks. So far only the Liberal Party have shown willingness to participate unconditionally, the Labour Party have deferred a decision until they see our proposals, while the SNP are not at all enthusiastic.

2. In framing our proposals we have assumed publicity for them and that public reaction could play an important part in Parties' decisions about participation and in the future progress of any talks. That over 1,000,000 Scottish voters supported the Scotland Act at the referendum and an unknown additional number are probably in favour of some kind of change, must not be ignored. On the other hand, of the four options outlined in the Pym/Brittan pamphlet of December 1978 - Parliamentary reform, inquisitorial assembly, a legislative/executive body and quasi-federalism - only the first has aroused any wide-spread support since the referendum.

3. Against this background we suggest that the proposed agenda should consist only of proposals for Parliamentary reform, but that we might, if the pressures were strong enough, indicate willingness to include an inquisitorial assembly if any of the other Parties should wish. The following form of words might be used:-

No

> "To consider whether the present system of government in Scotland could be improved by changes in the procedures, powers and operational arrangements for dealing with Scottish Parliamentary business."

Our intentions on Parliamentary reform would include meetings in Scotland of the Scottish Parliamentary Committees and also procedural changes such as the terms of the motions and the handling of third reading of Bills in the Scottish Grand Committee. These proposals are not

without their problems. For example, greater public awareness of the Parliamentary/Government relationships could promote stronger Scottish feelings for a separate executive and might also highlight the part played by added Members. With the present distribution of Parliamentary seats in Scotland Government defeats in the Grand Committee which can happen at present could not be avoided and might attract more attention if they took place in Scotland. There are also obvious difficulties in reconciling conflicting demands on the time of Members and Ministers.

4. We suggest that our terms of reference should be supported by a discussion paper which would outline reasons for proceeding in the manner suggested and explain why we have decided to rule out other possibilities. The paper would also emphasise what we see as real benefits from Parliamentary reform. A draft of the paper is attached.

5. The agreement of the Committee is sought -

(i) to a further approach to the other Parties on the basis of the terms of reference outlined in paragraph 3 above; and

(ii) to the use in that approach of the attached draft paper.

G.Y.
N.StJ.S.

Scottish Office
10 October 1979

GOVERNMENT OF SCOTLAND

Government's proposals for all-party talks

1. In his speech during the Scotland Act repeal order debate in the House of Commons on 20 June, the Secretary of State for Scotland outlined the Government's proposals for ways of improving the government of Scotland. This note deals with these proposals in greater depth.

2. It has for long been the practice of the House of Commons to handle Scottish business in a distinctive manner, in acknowledgement of Scotland's constitutional history and separate legal system. Bills relating exclusively to Scotland are frequently handled in the Scottish Grand and Standing Committees for Second Reading and Committee stage. In those circumstances it is almost entirely the Scottish Members who are serving as the legislators. The Grand Committee also has opportunities each Session to debate Scottish estimates and matters of interest and importance to Scottish people. The choice of subjects for the estimates debates rests with the Opposition. The Government believe that discussion should take place as to how greater public awareness of this important element of our Parliamentary system could be achieved and as to whether the existing Committees and the proposed Select Committee on the Scottish Office might hold meetings in Scotland.

3. In addition the Government suggest exploring the scope for improving the procedures of the Scottish Committees. Annex A to this note puts forward for further consideration a selection of possibilities.

4. Annex A also describes more fully the main issues surrounding the proposal that the Scottish Committees might meet in Edinburgh. Such a move would not be without difficulties, both practical and political. Both back-bench members and Ministers could find it difficult to reconcile commitments in Scotland on, say, Mondays and Fridays with Parliamentary and Government business, let alone personal and constituency affairs. The alternative of holding meetings in Scotland during the recesses could be equally inconvenient, and the cost of providing services, plus perhaps, additional travel and subsistence expenses, would also have to be taken into account. But the Government would favour discussion as to whether there would be advantage in such moves in bringing out the extent to which Parliamentary procedures are adapted and are capable of further adaptation to give Scottish MPs - and through them the Scottish people - a more effective role in legislation and control of the Executive.

5. The Government see little advantage in further consideration of the proposal for an inquisitorial assembly. Although this idea has been circulating for over a decade, and received detailed study by the Scottish Constitutional Committee, under the chairmanship of Lord Home of the Hirsel, it has failed to inspire enthusiasm. Not even in the post-referendum period, when one might have expected any latent interest to be uncovered, has the proposal been revived.

6. The Government do not consider it appropriate to give further consideration to an Assembly with legislative and executive powers. Such a proposal has been the basis for two pieces of legislation in the last three years,

one of which became the Scotland Act, and has occupied hundreds of hours of Parliamentary debate. Despite strenuous efforts a solution is as far away as ever of a hard core of fundamental problems. Most prominent of these are finance, the "West Lothian Question" and over-complexity in the specification of what was devolved. The referendum result indicates that there was insufficient support in Scotland for such a major constitutional change. The Government considers the result as indicating a likely rejection of schemes similar to that proposed in the Scotland Act since, even if solutions, or partial solutions, could be found, there is no evidence that the people of Scotland would view the resultant scheme with any more favour.

7. The Government do not consider there to be any advantage at this stage in devoting attention to a federal solution. The main factor here is the very evident absence of enthusiasm for changes of the kind envisaged in a federal solution in other parts of the United Kingdom.

8. The task now before us is to find a way of clarifying and extending the parliamentary provisions which give the Scottish people an effective say in how their domestic affairs are governed, taking into account the views of the Scottish electorate on the Scotland Act as expressed in the referendum. The Government believe that the best way forward is to review the potential for improving what already exists. If there is agreement to proceed on this basis, it should be possible to reach an early decision on desirable improvements.

ANNEX A

ALTERED OR EXTENDED USE OF SCOTTISH COMMITTEES

Scottish Grant Committee

1. Three possible models for altered use of the Scottish Grand Committee, in ascending order of degree of change, are:-

a. the Scottish Grand Committee to continue handling the business it does now, no more no less, but to do it in Edinburgh; (lists A, B, C and D attached show the business dealt with by the Grand and Standing Committees since 1970-1).

b. the Scottish Grand Committee to operate as at present, but to handle a wider range of business;

c. the Scottish Grand Committee to be reconstructed, though still as a Committee of the House, with new freedom of action to exercise broad oversight of Scottish affairs.

2. Elements of each of these models could be combined in different ways to form intermediate models. The considerations to be examined are briefly touched on below.

3. A general problem is that of party balance. Any intensified activity of the Scottish Grand Committee will add to the problems of securing attendance by non-Scottish Members. These problems will be much worse if sittings are held in Edinburgh. Intensified activity may also raise a call for more frequent voting. Even if the "added Members" practice can be effectively enforced, it may not always be enough to secure the vote the Government needs. A balance may have to be struck between securing the vote the Government wants, allowing Scottish MPs to record their view in a vote even if the House has to overturn it later, and refusing votes with the consequent risk to the repute of the whole arrangement.

4. It would be useful to consider the necessity of continuing with the system of "added Members" whether or not the Grand Committee sits in Edinburgh. As Governments have often been without a majority despite its use, it may be appropriate to remove this provision which has led to some public criticism and which is resented by the "added Members" who are expected to attend but not to participate.

Extension of the Range of Business: model b above

5. This might affect either legislation or scrutiny of the Executive or both.

6. Extension in relation to legislation might affect both Second Reading and Report stages of Bills. At present, on Second Readings, the Committee considers only the motion "that the Chairman do report that the Committee have considered"

the Bill in relation to its principle. A Second Reading Committee, on the other hand, debates a recommendation that a Bill should or should not be read a second time. If they recommend in the latter sense they may give reasons. (Committees of this sort are not normally entitled to explain themselves.). This arrangement would give the House some idea of what the Grand Committee thinks, and would allow the Committee itself to vote on a real proposition, while leaving it unable itself to kill a Bill.

7. As for Report, under Standing Order No 73, Bills which have been considered either by a Standing Committee or by the Scottish Grand Committee in relation to principle may be referred on Report to a Standing Committee or to the Grand Committee as the case may be. In fact only one Bill has ever been referred to a Standing Committee on Report and the procedure has never been used in relation to the Grand Committee.

8. The major political difficulty in referring Bills on Report to the Grand Committee arises from the possibility of Government defeat in Committee, which the Government might hope to reverse. There are solutions, which might include partial recommittal to a Committee of the whole House. There are existing rules relating to recommittal as a whole, which restrict debate on the motion to recommit. These could be extended to a partial recommittal of Scottish Bills. There would be no need to change the existing rule that in Committee on recommitted amendments, only those amendments and others relevant to them may be discussed, along with the question on clause stand part. Thereafter, the Government might wish to consider a new Order, omitting a further report stage and moving directly to Third Reading. Arrangements would be needed to deal with Lords Amendments.

9. The quorum of the Grand Committee is at present 17. This might have to be reviewed if the Committee were to have extended legislative responsibilities as described above, particularly in relation to Report Stage.

10. The problems of enlarging the Committee's role in relation to scrutiny of the Executive, by simply increasing the scope for debating estimates and other matters are very much less. They are largely confined to the problems of competition for time dealt with separately below.

Reconstruction of the Scottish Grand Committee: model c above

11. Apart from the presentational attractions of this model, it might avoid conflict with rules and procedures of the House which had been drawn up to apply to committees in quite different situations. But it would probably call for a change of practice at Westminster more thoroughgoing than any of the other models.

12. All Scottish Members could be Members of this new Grand Committee and it could be charged broadly with considering legislation and scrutinising the actions of the Executive applying distinctively to Scotland. The House might want to regulate its days of sitting, though perhaps not those of any subsidiary bodies which the Grand Committee might appoint: see paragraph 13 following. It would be up to the Committee to organise its own working methods, though within the general framework of existing Parliamentary rules. The scheduling of business could be much more flexible in such a model, eg, business in which only a few Members were interested could be put on at the end of debates of

more general interest.

13. On the assumption that the reconstructed Committee would deal with legislation (the proposal might be of doubtful merit if it did not) Bills relating exclusively to Scotland might be referred to the Grand Committee, (there would be a Second Reading on the floor of the House only if a substantial number of Members wished for a debate at Westminster). Thereafter it would be for the Grand Committee itself to consider the principle of the Bills, and then to take the Committee stage either in full Grand Committee or in a subordinate committee. On this model, the Grand Committee would automatically deal with the Report stage of Bills it handled. But the House would thereafter have the opportunity of a full or partial recommittal, Third Reading and Lords Amendments.

14. In relation to legislation, this model raises all the difficulties of the "extended activities" model. It also raises the question whether the composition of Standing Committees or analogous bodies set up by the Scottish Grand Committee should reflect the composition of the Grand Committee or the composition of the House.

15. If this more developed model were adopted, a Grand Committee would be able to consider abstract motions on its own initiative; there would be no question of a limited number of Matter of Estimates days. Special Scottish adjournment debates could be held. Statutory Instruments relating exclusively to Scotland could be referred to the Grand Committee and questions on matters for which Scottish Ministers are responsible could be taken in the Grand Committee under the normal rules for Parliamentary questions. But presumably questions affecting other Ministers would continue to be dealt with at Westminster as before.

Standing Committees

16. In any of the new arrangements discussed above, the Scottish Standing Committees could continue to operate very much as at present. But questions of their composition might arise under the third model. And questions of where and when they met could arise under any of the models.

Select Committee

17. The Government will shortly be tabling a motion to appoint a Select Committee for Scotland. This Committee, in scrutinising the work of the Scottish Office, will be a further means of bringing to the Scottish people the extent to which the government of Scotland is conducted from Edinburgh with those conducting it accountable to Members of Parliament elected by Scottish constituencies. The Committee will have power to adjourn from place to place and to report from time to time.

Work load

18. It is a problem of most special arrangements for the handling of Scottish business in Parliament that the other business of Parliament does not stop while the Scottish business is going on. A research paper prepared for the Kilbrandon Commission, by J S Berridge and J Kellas, pointed out that the work demand on Scottish MPs was greater than that for their non-Scottish colleagues. And a relatively recent research paper argued that this was now the case to

such an extent that Scottish Members had to choose between concentrating on Scottish affairs and relatively neglecting their UK responsibilities, or doing the reverse, or skimping all their responsibilities. Any attempt to alter or enlarge the activities of special Scottish committees in any way, even if it takes the form only of holding some meetings on the existing pattern in Edinburgh, must intensify this problem unless Parliament makes some concessions to Scottish Members' needs.

Meetings in Edinburgh

19. Certain specific problems arise if there are to be meetings of Scottish Committees in Edinburgh. It seems out of the question to have such meetings in mid-week while Parliament is sitting. In the research paper for Kilbrandon, mentioned above, it was argued that meetings in Edinburgh on Fridays and Mondays would also prove impracticable bacause of problems of travelling, ability to see families and constituents, problems of ensuring that Wesminster activities were confined to non-Scottish business onthose days, and the need to have Scottish Members available to vote. The authors argued in favour of the Scottish Grand Committee meeting in Edinburgh for a week at the end of the summer adjournment, and at similar times during the Christmas and Easter adjournments.

20 Meetings of this kind might attract a fair degree of publicity, especially at the end of the long summer adjournment when there was no other Parliamentary competition. But against the background of on-going Parliamentary business and pressures for urgent action, there might be an artificiality in such occasional meetings. It is unlikely that they would be popular with Scottish Members, who already complain about the discrepancies between Parliamentary recess timings and those of Scottish school holidays. Whatever the difficulties it seems highly probable that, if worthwhile meetings in Edinburgh are to be achieved, they will have to take place on either Fridays or Mondays or both.

21. List E gives some figures for participation by Scottish Members in Monday business. In addition, Members are liable to be called upon to vote on Mondays. A survey of Session 1977-78 shows that there were divisions before 10 pm on a Monday five times but that in four of these cases the Government was not relying on a three-line whip. On the other hand, there were about 25 divisions after 10 pm on Mondays. The question of business to be taken on Mondays, votes on that day, and the amount of notice to be given of both, might need review.

22. Select Committees sitting on a Monday are potentially a difficult problem. A significant proportion of Select Committee business is conducted on Mondays. There are problems in changing this given the competition of other business. Regular sittings of Scottish Committees in Edinburgh on Mondays might appreciably affect the scope for Scottish Members to participate in UK Select Committees. The establishment of a Scottish Select Committee may, however, reduce participation by Scottish Members in UK Committees.

23. Fridays present fewer problems for the general working of the House. They are appreciably devoted to Private Members Bills and usually there is ample notice of this kind of business. The difficulties should not be great and, so far as any arose, there might be scope for adjusting the sequence of business on Private Members Bills as necessary. But Friday sittings in Edinburgh may be

much less popular with Scottish Members than Monday sittings. They may have much less objection to stopping off in Edinburgh on their way back to London, delaying their arrival in London accordingly, than to delaying their return to homes and constituencies.

24. The above remarks deal only with the problems for the House and backbench Members. There are also the problems of Scottish Ministers. Fridays are vital for Ministerial consultation with civil servants and contacts with the Scottish public and public authorities. Mondays play some part in these processes, but are also fruitful in Ministerial meetings in London.

Accommodation and Services

25. Accommodation could be made available in the Royal High School complex in Edinburgh, which would provide a rather ample debating Chamber, large Committee Room, offices for both permanently and temporarily resident staff and scope for some kind of a library. Arrangements for mechanical recording of the Official Report could also be available.

26. There could be problems about security. There are difficulties about Parliament extending to Committees outwith its precincts the protection normally available within these precincts. But these are probably not serious issues.

27. The question of documentation, and whether whatever special documentation was needed was to be produced in Westminster or Edinburgh, would have to be examined. Staffing for spasmodic use might present difficulties, not so much in terms of Clerks and research staff, as in terms of security, transcription etc staff.

LIST A

SCOTTISH GRAND COMMITTEE
BILLS CONSIDERED IN PRINCIPLE

Session	Bill
1970-1	Hospital Endowments (Scotland) Sheriff Courts (Scotland) Redemption of Standard Securities (Scotland) Law Reform (Jurisdiction in Delict)(Scotland)
1971-2	National Health Service (Scotland)(Lords) Administration of Justice (Scotland)(Lords) Companies (Floating Charges and Receivers) (Scotland)(Lords)
1972-3	Education (Scotland) Prescription and Limitation (Scotland)
1973-4	Land Tenure Reform (Scotland) Crofting Reform (Scotland) Housing Reform (Scotland)
1974-5	Housing Rents and Subsidies (Scotland)
1975-6	Freshwater and Salmon Fisheries (Scotland) Crofting Reform (Scotland) Housing (Amendment)(Scotland) Damages (Scotland)(Lords) Education (Scotland)(Lords) Licensing (Scotland) Electricity (Financial Provisions)(Scotland)
1976-7	Returning Officers (Scotland) New Towns (Scotland) Town and Country Planning (Scotland)(Lords) Marriage (Scotland)(Lords)
1977-8	Housing (Financial Provisions)(Scotland) Local Government (Scotland) Community Service by Offenders (Scotland)
1978-9 (to Dissolution on 7 April '79)	Criminal Justice (Scotland) Land Registration (Scotland)

LIST B

SCOTTISH GRAND COMMITTEE
MATTER DAYS

Session	Subject(s)	No of Days
1970-1	Roads) Tourism) Housing Finance)	4
1971-2	Local Government Reform	3
1972-3	North Sea Oil and Scottish Economy.	1
1974-5	Clayson Report (on licensing)	2
1975-6	Nil	Nil
1976-7	Transport in Scotland Teacher Training in Scotland from 1977 onwards Agriculture and Forestry in Scotland	1 2 1
1977-8	Nil	Nil

Session	First SSC	Second SSC
1977-8	Housing (Financial Provisions)(Scotland) Local Government (Scotland) Community Service by Offenders (Scotland)	
1978-9 (to Dissolution on 7 April '79)	Land Registration (Scotland) Criminal Justice (Scotland)	

LIST C

FIRST AND SECOND SCOTTISH STANDING COMMITTEES
BILLS TAKEN IN COMMITTEE

Session	First SSC	Second SSC
1970-1	Teaching Council (Scotland) Hospital Endowments (Scotland) Education (Scotland) Sheriff Courts (Scotland) Law Reform (Jurisdiction in Delict) (Scotland)	Interest on Damages (Scotland)
1971-2	Housing (Financial Provisions) (Scotland) National Health Service (Scotland) (Lords) Companies (Floating Charges and Receivers)(Scotland)(Lords)	Social Work (Scotland) Chronically Sick and Disabled Persons (Scotland) Administration of Justice (Scotland) (Lords) Harbours Development (Lords)
1972-3	Local Government (Scotland) Education (Scotland) Prescription and Limitation (Scot)	Law Reform (Diligence)(Scot) Succession (Scot)
1973-4	Land Tenure Reform (Scotland) Housing (Scotland) Education (Mentally Handicapped Children)(Scotland)	
1974-5	Housing Rents and Subsidies (Scotland) Local Government (Scotland) District Courts (Scotland)(Lords) Scottish Development Agency (No 2)(Lords)	
1975-6	Freshwater and Salmon Fisheries (Scotland) Crofting Reform (Scotland) Housing (Amendment)(Scotland) Damages (Scotland)(Lords) Education (Scotland)(Lords) Licensing (Scotland) Electricity (Financial Provisions) (Scot)	Divorce (Scot) (No 2)
1976-7	Returning Officers (Scotland) New Towns (Scotland) Town and Country Planning (Scotland) Marriage (Scotland)(Lords)	Control of Food Premises (Scot) Presumption of Death (Scotland)

LIST D

SCOTTISH GRAND COMMITTEE
ESTIMATES DAYS

Session	Subject(s)	No of Days
1970-1	Teacher Supply	1
	Agriculture and Fisheries Industries	1
	Housing	2
	Social Work	1
	Health Services	1
1971-2	Local Government Finance	1
	Social Work	1
	Pre-School Education	1
	Arts and Amenities	1
	Education	1
1972-3	Housing	2
	Problems of the Disabled	1
	Education	1
	Social Work	1
	Land Use in the Highlands and South-West Scotland	1
1973-4		
Up to Feb '74	Nil	
Feb '74 to Oct '74	Electricity Prices	1
	Planning Procedures and North Sea Oil	1
	Rates	1
	Agriculture	1
1974-5	Rates	1
	Urban Depravation	1
1975-6	Fishing Industry	1
	Education and Social Work	1
	Economic Planning	1
	Housing	1
	Agriculture	1
	Employment	1
1976-7	Housing	1
	Education	1
	Local Government	1
	Unemployment	1
1977-8	Industry and Employment	2
	Agriculture and Fisheries	1
	The Land in Scotland	1
	Energy	1
	Housing	1

CONFIDENTIAL

PARTICIPATION BY SCOTTISH MEMBERS ON THE FLOOR ON MONDAYS IN 1977-78

LIST E

DATE	NUMBERS INTERVENING AT QUESTION TIME		NUMBERS INTERVENING ON THE ORDERS		NUMBERS INTERVENING ON OTHER BUSINESS (specified)	
	Front Bench	Back Bench	Front Bench	Back Bench	Front Bench	Back Bench
7 November 1977	-	3	-	-	-	1 (Adjt)
14 November 1977	1	4	*	*	*	*
21 November 1977	-	4	2	-	-	-
28 November 1977	-	4	2	7	-	-
5 December 1977	1	1	-	1	-	-
12 December 1977	-	3	1	7	-	-
9 January 1978	2	3	-	1	1 (Adjt)	1 (Adjt)
						(3 (PHQ)
16 January 1978	1	3	-	1	-	(2 (Statement)
23 January 1978	-	5	1	5	-	-
30 January 1978	1	3	3	6	1 (PHQ)	1 (Statement)
6 February 1978	-	4	-	1	1 (Adjt)	1 (Adjt)
13 February 1978	3	6	-	4	-	-
20 February 1978	3	5	-	-	-	-
27 February 1978	-	4	1	2	-	1 (Statement)
						1 (Adjt)
6 March 1978	1	3	-	-	1 (Statement)	-
13 March 1978	-	-	-	-	-	-
20 March 1978	3	2	1	3	-	1 (Holiday Adjt)
3 April 1978	-	1	-	2	-	-
10 April 1978	1	2	-	-	-	-
17 April 1978	1	3	1	-	-	-

CONFIDENTIAL

CONFIDENTIAL

PARTICIPATION BY SCOTTISH MEMBERS ON THE FLOOR ON MONDAYS IN 1977-78

DATE	NUMBERS INTERVENING AT QUESTION TIME		NUMBERS INTERVENING ON THE ORDERS		NUMBERS INTERVENING ON OTHER BUSINESS (specified)	
	Front Bench	Back Bench	Front Bench	Back Bench	Front Bench	Back Bench
24 April 1978	-	1	2	2	-	-
8 May 1978	3	7	-	4	-	-
15 May 1978	1	4	3	7	-	1 (Adjt)
22 May 1978	-	-	1	3	1 (Statement)	2 (Statement)
12 June 1978	1	2	-	2	-	-
19 June 1978	1	2	-	4	-	-
26 June 1978	2	1	-	-	-	1 (Statement)
3 July 1978	1	2	-	1	1 (Adjt)	1 (Adjt)
10 July 1978	-	3	1	5	-	1 (Statement)
17 July 1978	1	3	*	*	-	1 (Statement)
24 July 1978	-	6	2	4	-	-
31 July 1978	3	2	1	3	-	-

NB. A Member intervening more than once on any Monday is only counted once.

* Consideration of the Scotland Bill

On the Opposition side, party leaders and the Conservatives shadow Secretary of State only have been counted as front bench. Junior spokesman for the Conservative party shadowing UK Departments (eg Mr H Gray (Energy) have not.)

CONFIDENTIAL

010

H Affairs

2

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

Chancellor of the Duchy of Lancaster

19 July 1979

PRIME MINISTER

We mentioned the state of these discussions at your briefing. The onus is back on the government.

MAP 19/7

Lord Kennet

THE GOVERNMENT OF SCOTLAND

The last of the bilateral 'talk about talks' took place last night when your Secretary of State and the Chancellor of the Duchy saw Mr Michael Foot and Mr Bruce Millan for the Labour Party.

The Chancellor of the Duchy said that he very much hoped that it would be possible to establish a basis for inter-party talks. He would be the titular head of any discussions, but the Secretary of State for Scotland would conduct them. The Government hoped that representation at the talks would be confined to Members of Parliament, but that they would be as informal and unstructured as possible and that the parties would be prepared to discuss policies other than their own. The Liberals were prepared to participate but the SNP initial reaction had been very unenthusiastic. Substantive talks could start in the Autumn. Both the Liberals and the Government favoured inter-party talks but if there was a strong feeling for bilateral discussions, this approach could be considered.

Mr Michael Foot asked if the Government had yet devised terms of reference. The Shadow Cabinet would need to be consulted and without specific proposals from the Government it would be difficult to present the matter. Your Secretary of State said that the Government had been waiting to see what other parties thought. One approach would be for the Government to draw up terms of reference for consideration. But they did not wish to rule out any aspect and they were concerned not to give the impression that they were pre-empting the discussion in any way - although he thought that it would not be very fruitful to pursue particularly fundamental questions such as federalism/separatism etc.

Mr Bruce Millan said that it would be illusory to enter into unstructured and wide-ranging talks at which the Labour Party repeated the virtues of the Scotland Act and both the SNP and the Liberal Party re-stated their already well known views. What was missing were practical proposals of what the Government had in mind. Mr Foot said that the Labour Party would not be coming forward with fresh ideas. Their views remained unchanged and he agreed with Mr Millan that there was no point in recapitulation. The Government therefore should indicate the terms of reference they had in mind, the range of matters they would like to discuss and put these to the other parties in the Autumn for comment.

Both your Secretary of State and the Chancellor of the Duchy agreed that this was a reasonable way to proceed, and Mr Foot agreed that the Labour Party would consider the proposals carefully and then decide whether they thought it worthwhile to pursue the proposals through inter-party talks.

It was agreed that any public statement about the progress of the bilateral discussions would say that there had been some talks and that Government proposals about the terms of reference and the agenda would be put to the parties concerned.

The discussion then turned briefly to the setting up of a Select Committee for Scotland. Both Ministers and the two Labour Party representatives agreed that the establishment of a Select Committee need not await the outcome of any inter-party talks and would not prejudice them in any way. Your Secretary of State and the Chancellor of the Duchy undertook to bring forward proposals to set up a Select Committee soon after the return from the Summer Recess. This would not rule out the inter-party talks considering how the Select Committee could best operate.

After the Labour Party representatives had left, your Secretary of State and the Chancellor of the Duchy agreed that subject to the views of the Home Secretary as Chairman of H Committee, arrangements should be made for a question to be asked during the Chancellor's business statement which would enable him to refer to the position reached on the bilateral discussions and the setting up of a Select Committee for Scotland.

I am copying this to Nick Sanders (No 10) and Martin Vile (Cabinet Office), and to John Chilcot,(Home Office).

Yours sincerely

John Stevens

J W Stevens
Private Secretary

Kenneth Mackenzie Esq
Scottish Office

19 JUL 1979

PRIME MINISTER
A hiccup in the talks about talks.
This will be on the agenda for
your Edinburgh visit next week.
MF 31/VII

Home Affairs

SECRETARY OF STATE FOR SCOTLAND

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

CONFIDENTIAL

J W Stevens Esq
Private Secretary to the
Chancellor of the Duchy of Lancaster
Cabinet Office
70 Whitehall
LONDON SW1

3 July 1979

Dear John

THE GOVERNMENT OF SCOTLAND

The second of the bi-lateral "talks about talks" with the other Parties took place today when my Secretary of State and the Chancellor of the Duchy saw Mr Donald Stewart for the Scottish National Party.

The Chancellor of the Duchy indicated that he had already seen Mr Russell Johnston for the Liberals who was prepared to take part in inter-Party talks and that he would be seeing Mr Michael Foot for the Labour Party tomorrow. He also indicated that the talks would be as informal and unstructured as possible but that they were not likely to get very far before the Summer Recess.

Mr Stewart made it very plain that he saw no point in the inter-Party talks and in response to a direct question from my Secretary of State said that he would not be prepared to take part in them. As he sees it, the Conservative Party is basically against devolution; there are some Members of the Labour Party on each side of the argument; the Liberals favour federalism; and his own Party remains committed to independence. He and his colleagues had supported the idea of an Assembly enshrined in the Scotland Act as something they could use as a means to wrest further powers and achieve full independence. With hindsight he thinks that was a mistake on his Party's part as the Scotland Act, because of the lack of financial powers, proved too divisive. He now sees no prospect of reviving anything like it, no common denominator among the four Parties and no urgency in taking the matter further.

Mr Younger agreed that there would be no point in going into all-Party talks if none of the Parties was prepared to

consider any solution beyond its own preferred scheme but the Government wished to establish how far the other Parties would be open to constructive ideas for improvement in the way Scottish business is handled at Westminster at present. If some such improvements did emerge from the talks he wondered whether the SNP would be prepared to co-operate in implementing them. Mr Stewart said that if by that the Secretary of State meant a Select Committee on Scottish Affairs he thought that should be restored in any case as of right and was therefore not relevant to all-Party talks. He was distinctly unenthusiastic about the Scottish Grand Committee meeting in Edinburgh which he thought might be even less advantageous than the status quo. The SNP would be prepared to consider any changes in Parliamentary procedure which the Government decided to propose but they did not see them as any substitute for constitutional change. On that issue they felt too far apart from the Government for any exchanges to be worth trying.

The Chancellor of the Duchy concluded the meeting by securing Mr Stewart's agreement to consult his colleague, Mr Gordon Wilson MP, and by undertaking to have another word with Mr Stewart once he and the Secretary of State had seen Mr Michael Foot.

After Mr Stewart had departed the Chancellor of the Duchy had a brief discussion with the Secretary of State in which they agreed that although Mr Stewart's attitude appeared to rule out all-Party talks by definition, it might still be worthwhile to press ahead if the other three Parties were willing. If this served to isolate the SNP as the Party whose sole aim was the break-up of the UK, it might encourage them to reconsider their attitude.

I am sending copies of this letter to Nick Sanders at No 10 and Martin Vile at the Cabinet Office.

Yours sincerely,

Kenneth MacKenzie

K J MACKENZIE
Private Secretary

CONFIDENTIAL

Home Affairs 2

Cabinet Office
70 Whitehall London SW1
Telephone 01-233 ~~XXX~~ 5826

Chancellor of the Duchy of Lancaster

28 June 1979

1. MR PATTISON to see

2. PRIME MINISTER

A start

Dear Kenneth

THE GOVERNMENT OF SCOTLAND

The first of the bi-lateral 'talks about talks' with the other parties took place today when your Secretary of State and the Chancellor of the Duchy saw Mr Russell Johnston for the Liberals.

In response to a question from your Secretary of State, Mr Johnston confirmed that the Liberals would be prepared to participate in inter-party talks. They would be willing to consider a variety of proposals - even if these fell short of what they themselves would like to see implemented, and they would not approach the matter on the basis that they would only be interested in pursuing Liberal policies. However, he thought the parties should at least be able to raise any matter they wished.

During any substantive talks much would depend on how far they were asked to move from their basic stance. The views of the Liberal Party were well known and these had not changed since the referendum (except that they would not now be prepared to give consistent support as they had done to the Labour Government's devolution proposals without a satisfactory understanding on electoral reform). The Liberals would wish to make it clear that by agreeing to participate in inter-party talks, they were not putting their 'seal of approval' on any proposal which departed from their own views to any large degree. He believed that what the Government was likely to have in mind were proposals to change the way Scottish business was handled at Westminster, and not devolution in the sense of some form of separate assembly. He doubted whether it would be justified to hold inter-party talks if the only proposals which were likely to be forthcoming related to a Scottish Select Committee and the Scottish Grand Committee. Nevertheless, if the other parties concerned were in favour of inter-party talks - and he considered that the participation of the Labour Party was essential - the Liberals would take part in them.

29 JUN 1979

Original Copied to Parliament, May 79

Hse of Commons Procedure Reorganisation of Select Committees

PRIME MINISTER

overtaken MS

Select Committee on Scottish Affairs

You wanted to be kept in touch with this before this afternoon's debate. The Chief Whip and the Chancellor of the Duchy discussed the Government line this morning. They decided that the Chancellor of the Duchy should say that the Government accepted in principle the case for a Select Committee on Scottish Affairs, but that the details ought to be on the agenda of the inter-party discussions on devolution. All the amendments designed to add a Select Committee will therefore be resisted.

MS

25 June 1979

Original Copied: Parliament, May 79. Hse of Commons Procedure, Reorganisation of Select Committees

① Accept in principle
② Details for all-party talks

SECRETARY OF STATE FOR SCOTLAND

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

To see. MJS

Perhaps I can see this replied to by Monday morning mtg. I can brief him then.

John Stevens Esq
Private Secretary to the
Chancellor of the Duchy of Lancaster
Cabinet Office
70 Whitehall
LONDON SW1

22 June 1979

Dear John,

DEBATE ON THE PROCEDURE COMMITTEE REPORT

My Secretary of State has been considering what to do in the light of Wednesday's debate on the Order to repeal the Scotland Act in the course of which it became clear that there is no longer any mileage to be gained in promoting the idea of a Select Committee on Scottish Affairs in the context of the all-Party talks. I understand that at the conclusion of the debate the Prime Minister suggested to Mr Younger that the Government might therefore include a Select Committee on Scottish Affairs among the Select Committees related to Government Departments in the Chancellor of the Duchy's Motion which is to be debated next Monday.

Mr Younger appreciates of course that it is now too late to include provision for such a Committee in the Motion itself but he believes that there would be considerable advantage if the Chancellor of the Duchy could indicate in opening the debate on Monday that the Government is prepared to accept the amendments put down by Mr Peter Fraser MP which would have the effect of adding a Select Committee on Scottish Affairs. (Mr Fraser's amendments are not entirely satisfactory in that they do not include a Scottish Committee in the list beginning at line 10 of the substantive Motion but they certainly achieve the desired result). Apart altogether from the advantages of this course following Wednesday's debate, it seems to Mr Younger very unlikely that Mr Fraser's amendments could be defeated on Monday or that he could be persuaded to withdraw them and in these circumstances it would be better to acknowledge at the beginning of Monday's debate that it is now desirable to proceed forthwith to set up a Select Committee on Scottish Affairs rather than have to concede it at the end of Monday's debate or in the vote.

If the Chancellor of the Duchy agrees, then the first nine lines of paragraph 7 of the draft speech circulated under cover of David Faulkner's letter of 21 June should be replaced by a passage such as the following:-

> "As my rt hon Friend the Secretary of State for Scotland indicated in the debate on the Order to repeal the Scotland Act last Wednesday, the Government did not wish to pre-empt any of the possibilities which might have been raised in the forthcoming all-Party talks to establish common ground as to the scope and direction of improvement in the government of Scotland. It was on this basis therefore that the Motion before the House was drawn up. In the light of Wednesday's debate however the Government has decided that since it was so clearly the will of Members of all Parties that there should be a Select Committee on Scottish Affairs, we should proceed to set it up at the same time as the other Select Committees related to Government Departments and we are therefore prepared to accept the amendments to this Motion in the name of my hon Friend the Member for South Angus if they are called."

It would be helpful to have the Chancellor of the Duchy's and other Ministers' views as soon as possible.

I am copying this letter to Tim Lankester at No 10, to the Private Secretaries to other members of H Committee, to Murdo MacLean (Government Whip's Office) and to Martin Vile and David Faulkner in the Cabinet Office.

Yours sincerely,

John Wilson

J S WILSON
Private Secretary

H. Affairs

file: LC
LPC
D/EMPL
~~DOE~~
SO mj
WO
NIO
DHSS
CDL
DES
CS, HMT
CW, H/C
CW, H/L
D/TRANS

CONFIDENTIAL

10 DOWNING STREET

4 June 1979

From the Private Secretary

The Prime Minister has seen the Home Secretary's minute of 1 June, proposing a timetable for Parliamentary action and inter-Party consultation on the government of Scotland.

She is content with these proposals, and would like the Chancellor of the Duchy of Lancaster and the Secretary of State for Scotland to proceed as proposed.

I am sending copies of this letter to the Private Secretaries to members of Home and Social Affairs Committee and to Martin Vile (Cabinet Office).

M. A. PATTISON

J.A. Chilcot, Esq.,
Home Office.

CONFIDENTIAL

sjn

10 DOWNING STREET

PRIME MINISTER

Following the Home Secretary's minute to you about the H. Committee discussion on Scottish Government (Flag A), and your meeting with Sir John Hunt and Mr. Smith, I asked that you be presented with a proposed timetable both for Parliamentary action and for the consultations with the Parties.

Are you content with Mr. Whitelaw's proposals below?

1 June 1979

CONFIDENTIAL

PRIME MINISTER

GOVERNMENT OF SCOTLAND

You asked me and the Chancellor of the Duchy of Lancaster (your Private Secretary's minute of 29 May) to let you have a timetable for Parliamentary action and consultations with the Parties on the government of Scotland.

We propose that there should be a day's debate on the Order repealing the Scotland Act on 20 June.

As soon as the House reassembles on 11 June, the Chancellor of the Duchy of Lancaster will therefore arrange with representatives of the Labour, Liberal and Scottish National Parties to hold bilateral talks as soon as practicable with the objective of having meetings before the Scotland debate. On our side, the Secretary of State for Scotland will join the Chancellor of the Duchy in the talks. We shall need to allow time for the Parties to consult their members, which will mean a second round of bilaterals or more. These will take place after the repeal of the Scotland Act.

Our aim will be to institute broadly based inter-Party talks before the Summer Recess.

I am copying this minute to members of Home and Social Affairs Committee, and to Sir John Hunt.

1 June 1979

CONFIDENTIAL

- 1 JUN 1979

CONFIDENTIAL

cc CO
CWO, H/L
MTRANS
CWO
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Home Affairs

10 DOWNING STREET

From the Private Secretary

29 May 1979

The Government in Scotland

The Prime Minister has considered the Home Secretary's minute of 24 May, in which he reported the conclusions of the Home and Social Affairs Committee at its meeting on 23 May.

She is content with the approached proposed. She would wish, however, to ensure that the arrangements for inter-Party talks allow the expression of the views of those Members who do not share the line taken by their Party leadership.

The Prime Minister wishes to ensure that the Government's objectives are clear from the beginning of these discussions. She also wishes to see the consultations begin as soon as possible, so that action is already underway when the House debates the order repealing the Scotland Act. The Prime Minister is assuming that this debate will take place in the second week of Parliamentary business after the recess. She would now be grateful to see a timetable covering both Parliamentary action and the consultations with the Parties. She would be grateful if the Home Secretary and the Chancellor of the Duchy of Lancaster can submit one this week.

I am sending copies of this letter to the Private Secretaries to the members of Home and Social Affairs Committee. and Martin Vile (Cabinet Office).

M. A. PATTISON

J.A. Chilcott, Esq.,
Home Office.

CONFIDENTIAL

DSG

yr Master Set

NOTE FOR THE RECORD

DISCUSSION ON THE GOVERNMENT OF SCOTLAND IN DOWNING STREET AT 1615 ON 24 MAY 1979

Present: Prime Minister
Sir John Hunt
Mr. D. Smith
Mr. M.A. Pattison

****

The Prime Minister asked what format was intended for discussions between the Parties. She was anxious to avoid setting up the bilateral discussions in a vacuum. It was important that the Government should have proposals to table. She had considered the Home Secretary's minute reporting the conclusions of H. She had some hesitations about all-Party discussions where three out of the four Parties would be opposed to the Government's line. In addition Party leaders could not commit all their Members on this kind of subject, as both she and Mr. Callaghan had found in the last Parliament. Discussions must therefore allow room for the expression of individual views such as those of Mr. Sproat or Mr. Dalyell. Mr Smith referred to the commitments in the Conservative Manifestos, especially that for Scotland, and discussed the various procedural options available. He advised the adoption of the most flexible possible approach. H Committee's recommendation for a meeting of leaders of Parties referred to leading figures: it would be appropriate for the Chancellor of the Duchy of Lancaster to take the chair with the Secretary of State for Scotland presenting the Government's position. The official

/Opposition

Opposition would probably field the relevant Shadow Ministers, although the minority Parties would probably have to bring in their leaders. A round table conference might be easier to handle than any committee system which involved the need to agree a report. Mr. Smith commented that there would be difficulty in including representatives of the full range of views now represented in the House of Commons in any format. A suitable forum had to be settled, and those who participated would be doing so on an ad referendum basis in respect of their Party and its Members. In the end, this constitutional issue had to be treated as a House of Commons matter involving all backbench opinion, and this must therefore be canvassed.

The Prime Minister emphasised that the Government should identify its objective at the outset, and should then tackle the procedure in the way which gave the best chance of selling the Government's proposition to the House of Commons. She was not adverse to the idea of a Select Committee which might meet once a month in Scotland - there could conceivably be a day every month set aside for all Select committees. Mr. Smith pointed out that an offer to establish a Select Committee would probably be quickly accepted, but there would remain a demand for all-Party talks.

The Prime Minister once again emphasised the importance of ensuring that the talks produced the right result. She was much relieved that the directly elected Assembly no longer seemed a viable option. This would have produced enormous problems. The Secretary of State for Scotland already had very considerable powers. Mr. Smith then reviewed the existing special arrangements for Scotland. Some parts of these were now outmoded and outdated. There was scope for considering whether the Scottish Grand Committee, perhaps with additional Members, could meet in Scotland. There could be a second Reading

/Committee

Committee for Scotland: and there were other options making the arrangements for Scotland more visibly linked to that country. Mr. Smith stressed the importance of resolving the Scotland issue in the current Parliament without requiring legislation. It might be possible to agree to a Scottish Select Committee before the summer recess, as a start. The Prime Minister recognised the advantages and flexibility involved in creating the Committee, but did not want to make this offer at any stage when it might be criticised as an attempt to palm off the devolution lobby with an insubstantial offering. Mr. Smith then explained the present roles of the Scottish Standing Committee and the Scottish Grand Committee, and the different Party balance found in the Grand Committee. The Grand Committee would have to continue, but it might be possible to create a second Reading Committee for Scottish bills reflecting the Party balance in the House of Commons. It was for consideration whether the Scottish Grand Committee should meet for certain business in Edinburgh, and likewise some standing committees. The Prime Minister asked whether Peers could be included in the Scottish Grand Committee. Mr. Smith explained that neither the Opposition nor the Liberals would have reason to favour this. But in respect of other possible changes, the Opposition's experience of the problems faced in Government should lead them to be helpful.

Mr. Smith referred to the Prime Minister's commitment in the Scottish Manifesto to an inquisitorial Assembly. He suggested that it might be appropriate to have this considered and forgotten. If it was examined on an all-Party basis in the Commons, Members would see it as cutting right across the role of the Scottish Members. The Prime Minister recognised the weak position in which locally elected representatives tend to find themselves vis-a-vis local bureaucrats. Mr. Smith

/ pointed out

pointed out that there were already two levels of elective local Assembly in Scotland. He felt that the Scots were generally tired of the debate for the present and were ready to see a decision taken quickly, [redacted] although the SNP would undoubtedly revive in the future as a natural protest Party - but no longer as representative of a serious movement for independence. He felt that the handling of Scotland required careful exercise of the art of Government in the present Parliament. A demonstration of interest and of consultation with localinterests, and some specifically Scottish solutions in, for example, social policy were required. He further suggested that two steps were politically desirable. First, the word "devolution" should be lost rapidly from the political vocabulary. Secondly, a good use should be found for the Royal High School: it was a natural conference centre and should not be left as/an empty symbol of the devolution debate.

In the light of this discussion, the Prime Minister agreed that the Secretary of State for Scotland should now have all these considerations in mind as the conclusions of the "H" Committee discussion were put into effect. Timing and presentation were both important. The debate on Repeal of the Order could not take place before the second week after the recess. By then the Government needed to be able to say that discussions had already began on the form of inter-Party talks. The Government should continue to demonstrate that moves were in hand on the Government of Scotland. She would consider making a visit to the Edinburgh base of the Scottish Office an early priority among her departmental visits, thus helping to emphasise the amount of Scottish Government already handled in Scotland. A paper should be submitted to her quickly on the steps and timetable required in the House of Commons.

/In conclusion,

In conclusion, the Prime Minister commented that she had never favoured devolution, and that she felt that her two predecessors as Conservative Prime Ministers had moved too far too quickly. From her days at the Department of Education and Science she had been aware of the power already devolved to the office of Secretary of State for Scotland, and had found the powerlessness of a British Minister to deal with Scottish issues a great handicap.

29 May 1979

CONFIDENTIAL

PRIME MINISTER

THE GOVERNMENT OF SCOTLAND

As you asked, the Home and Social Affairs Committee at its meeting on 23 May considered proposals by the Secretary of State for Scotland and the Chancellor of the Duchy of Lancaster on how we should fulfil our commitment to all-Party talks on the government of Scotland.

We agreed that we should first quickly repeal the Scotland Act; the Wales Act will also, of course, be repealed. In the debate, we would announce that we would be initially approaching other Parties with Scottish Members bilaterally to explore what forum for discussions might attract the widest support. Our decided preference would be for a conference of Ministers and the leaders of other Parties, providing for the maximum flexibility and informality in procedure. We thought it best that the Chancellor of the Duchy of Lancaster, as Leader of the House, should take the lead in these exchanges in an attempt to secure the widest possible involvement of the Labour Party. It would be desirable to avoid the involvement of Ulster Members.

These bilateral exchanges will also help to identify the matters which other Parties might wish to see discussed and, although it would be difficult to prevent any issue being raised once the substantive discussions begin, we will need to make clear from the outset our attitude to an elected Assembly and to any quasi-federal structure for the United Kingdom.

The Committee agreed to review our position once the initial reactions of other Parties in the bilateral exchanges become known. We did, however, agree that a Select Committee for Scotland should be proposed and that we should invite views on other possible changes in Parliamentary procedures concerning Scotland, e.g. meetings of the Scottish Grand Committee or possibly Scottish Standing Committees in Scotland. It was also suggested that we could not avoid discussion on the suggestion for a non-elected inquisitorial Assembly which we included in the draft submission for an all-Party conference we published in December, with the objective now being to ensure that it did not find favour. Our preliminary conclusion was that it might be best for the Chancellor of the Duchy of Lancaster to chair the all-Party discussions with the Secretary of State for Scotland taking the lead in putting forward the Government's views.

I am copying this minute to the members of the Home and Social Affairs Committee and to Sir John Hunt.

WW

24 May 1979

CONFIDENTIAL

24 MAY 1979

PRIME MINISTER

I attach Mr. Whitelaw's report of H Committee's discussion on the Government of Scotland (Flag A) with the paper considered at the Committee (Flag B).

At your meeting on the subject ~~today~~ yesterday, you agreed that:-

(1) there should be bilateral exchanges with other Parties;

(2) the Chancellor of the Duchy of Lancaster should chair the all-Party discussions with the Secretary of State for Scotland taking the lead in putting forward the Government's views.

You also wanted to ensure that:-

(3) the Government's objective was clear from the beginning, so that the procedure could ensure that the objective was achieved;

(4) consultations with the Parties should begin as soon as possible, so that action is already underway when the House debates the order repealing the Scotland Act - allowing that the Orders will be the second week back.

We now need a timetable covering both Parliamentary action and the consultations with the Parties. Should we now therefore confirm that you accept the approach set out in the Home Secretary's minute, but ask the Chancellor of the Duchy of Lancaster, in consultation with colleagues, to make proposals about the timetable for a decision next week? Agreed not

MAD

Yes - have only one point to add to Home Sec's minute - the Party Leaders ought must make provision for those like Tam Dalyell who do not share the views of their own party MT.

24 May 1979

PRIME MINISTER

You are seeing Sir John Hunt and Mr. Douglas Smith at 1615 tomorrow to discuss devolution.

I attach:

Flag A — The paper taken by H Committee today on Scotland;

Flag B — The draft minute prepared for the Home Secretary to send to you on the conclusions of that discussion.

I will let you have other details tomorrow. KJ

MJP

23 May 1979

CONFIDENTIAL

Qf 01649

MR PATTISON

You asked for a short note about the discussion of Home and Social Affairs Committee this morning on "The Government of Scotland".

2. The minutes of the meeting will not be ready for distribution this evening, so I think that the best note for the Prime Minister would be a copy of the draft minute which we have put to the Home Secretary to send to the Prime Minister.

P J HARROP

Cabinet Office
23 May 1979

DRAFT

CONFIDENTIAL

COPY OF THE DRAFT MINUTE FROM THE HOME SECRETARY TO THE PRIME MINISTER

PRIME MINISTER

The government of Scotland

As you asked, the Home and Social Affairs Committee at its meeting on 23 May considered proposals by the Secretary of State for Scotland and the Chancellor of the Duchy of Lancaster on how we should fulfil our commitment to all-Party talks on the government of Scotland.

2. We agreed that we should first quickly repeal the Scotland Act; the Wales Act will also of course be repealed. In the debate, we would announce that we would be initially approaching other Parties with Scottish Members bilaterally to explore what forum for discussions might attract the widest support. Our decided preference would be for a conference of Ministers and the leaders of other Parties, providing for the maximum flexibility and informality in procedure. We thought it best that the Chancellor of the Duchy of Lancaster, as Leader of the House, should take the lead in these exchanges in an attempt to secure the widest possible involvement of the Labour Party. It would be ~~important~~ desirable to avoid the involvement of Ulster Members.

That is 3 to 1 against our views. Does the Lord Chancellor wish to comment, & the Leaders, should we have another go, or otherwise do?

3. These bilateral exchanges will also help to identify the matters which other Parties might wish to see discussed and, although it would be difficult to prevent any issue being raised once the substantive discussions begin, we will need to make clear from the outset our attitude to an elected Assembly and to any quasi-federal structure for the United Kingdom.

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4. The Committee agreed to review the ~~tactics for the~~ position discussions once the initial reactions of other Parties in the bilateral exchanges become known. We did however agree that a Select Committee for Scotland should be proposed and that we should invite views on other possible changes in Parliamentary procedures concerning Scotland, eg. meetings of the Scottish Grand Committee or possibly Scottish Standing Committees in Scotland. It was also suggested that we could not avoid discussion on the suggestion for a non-elected inquisitorial Assembly which we included in the draft submission for an all-Party conference we published in December, with the objective now being to ensure that it did not find favour. Our preliminary conclusion was that it might be best for the Chancellor of the Duchy to chair the all-Party discussions with the Secretary of State for Scotland taking the lead ~~in putting forward the Government's views.~~ on behalf of the Government.

5. I am copying this minute to the members of the Home and Social Affairs Committee and to Sir John Hunt.

23 MAY 1979
1979

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H(79) 6

18 May 1979

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CABINET

HOME AND SOCIAL AFFAIRS COMMITTEE

THE GOVERNMENT OF SCOTLAND

Memorandum by the Secretary of State for Scotland and the Chancellor of the Duchy of Lancaster

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Introduction

1. We have made clear our view that the Scotland Act should be repealed and we are committed to discussions about the future government of Scotland. We are already being pressed on our intentions. This note recommends the course we should adopt.

Background

2. The Official Opposition campaigned on a commitment to a Scottish Assembly and to discussions on how the Act might be amended to make the scheme it proposed more acceptable. The Liberal Party retreated from their support of the Act and returned to their proposal for a federal system for the whole of the United Kingdom. The Scottish National Party proclaimed their objective of an independent Scotland under the Crown and, for the shorter term, claimed that they would seek to secure the devolution of economic and industrial powers to the proposed Assembly and that only their influence would secure its establishment. Devolution as an issue did not loom large in the campaign, but it is essential that we demonstrate our readiness to provide for changes which can provide a closer oversight of government in Scotland.

3. In December we published an outline of a submission to an all-Party conference in which four options were put forward for consideration as to their viability and acceptability. We then made clear that the option of an elected Assembly with executive and legislative powers for Scotland alone would be fundamentally unstable and the outcome of the referendum is not a basis for this option. As for the option of a quasi-federal system for the whole of the United Kingdom, this was conceived as the only way of providing a stable constitutional settlement if the demand for a legislative Assembly for Scotland proved irresistible. It no longer needs to be considered; there is clearly little interest in and less demand for so fundamental a change. The remaining

options we then advanced were, first, changes in House of Commons procedures for Scotland (including a select committee and possibly an extended role for the Scottish Grand Committee) and secondly, an inquisitorial Assembly which could debate and scrutinise Scottish issues.

Proposed courses of action

4. We responded to the last Administration's proposal for inter-Party talks following the referendum by suggesting that Parliament should first reach a decision on the Repeal Order. We stated clearly during the election campaign that we would repeal the Order. There seems no reason to delay. We will have to give some indication of our general intentions during the debate on the Order, but that need not present difficulties. And the composition of the vote on the Order may conveniently demonstrate the lack of enthusiasm in Parliament for a directly elected Assembly or quasi-federalism in our outline submission to an all-Party conference.

5. The exclusion of these options would leave for consideration changes in House of Commons procedures for Scotland and an inquisitorial assembly of some kind, without executive powers but able to debate Scottish issues and investigate the administrative decisions of the Scottish Office and public bodies and agencies in Scotland. An Assembly of this kind would result in confusion and conflict with the role of a Scottish Select Committee and the Scottish Grand Committee. Moreover any suggestion that it should be elected could result in acute uncertainties about representation, lead to a demand for powers and could foster political instability. We think it must be avoided but it seems unnecessary, and may be tactically unwise, to exclude it from discussion.

6. The aim would be to secure discussion of, and agreement on, possible changes in House of Commons procedures for Scotland. The starting point should be the Select Committee on Procedure's decision not to recommend a select committee for Scotland only because of the uncertainties at the time of its report last July about possible future constitutional developments. We have already indicated our readiness to establish such a committee, and we should seek the views of other Parties on this proposal. In doing so we will not be able to avoid discussions on the other recommendations in the Committee's report about the powers and role of select committees generally, and these may affect our response to the Committee's report as a whole. A Scottish Select Committee could of course meet in Scotland.

7. We should also invite views on the role of the Scottish Grand Committee and any changes which might be contemplated. And there may be merit in considering the possibilities of Scottish Standing Committees meeting in Scotland. Although there are evident difficulties in maintaining party balance for the Grand Committee, particularly if it is to meet in Scotland, we may need to conclude that it is easier to live with these difficulties. Discussions on the Grand Committee might reach the point at which we might want to suggest that the possibilities should be considered by the Select Committee on Procedure.

8. We believe that, as a first step, we should seek bilateral discussions to explore what arrangements for all-Party discussions might attract the widest support. The possibilities could include a conference of Ministers and Party leaders, a Joint Select Committee or a Commons Select Committee. Our preference would be for the first of these possibilities as providing for the greatest degree of flexibility.

Conclusion

9. We invite our colleagues to agree:-

(a) that an early opportunity should be provided for debate on the Orders repealing both the Scotland Act and the Wales Act;

(b) in that debate, Government speakers should announce the intention of engaging soon in bilateral talks about reforms in Scotland, as a preliminary to inter-Party talks;

(c) we should thereafter explore through bilateral talks what arrangements for all-Party talks might attract the widest support, with our preference being for a conference of Ministers and Party Leaders;

(d) we should propose at the outset consideration of a Select Committee for Scotland, recognising that we cannot avoid discussion of the recommendations of the Select Committee on Procedure concerning select committees generally. We should also invite views on any possible changes for the Scottish Grand and Standing Committees;

(e) we should not seek to avoid discussions on an inquisitorial Assembly, but should aim to ensure that no such proposal finds favour;

(f) we will review the reactions of other Parties following bilateral exchanges and as the discussions proceed.

G.Y.
N.StJ.S.

Scottish Office
18 May 1979

Home Affairs.

Extract CC(79) 1st Conclusions 10 May 79 at 10.30 am

c. Devolution. The Secretary of State for Scotland and the Chancellor of the Duchy of Lancaster would bring forward a paper on Devolution for consideration by the Home Affairs Committee at an early stage.

E. R.

PA

MS

PRIME MINISTER

Scotland Act and Wales Act

You asked Richard Ryder what the position was about the draft Orders to repeal the Scotland Act and the Wales Act which were laid on 22 March.

The draft Orders are not affected by the Dissolution and they do not have to be laid again. It is now for the new Parliament to decide whether to approve them. The Government will have to decide when to bring the necessary motions before the two Houses, bearing in mind that it would be open to the Opposition to do so on a Supply Day if there were a long delay. There are no statutory constraints on the timing of the debates on the orders.

MS

Thankyou MS.

9 May 1979

Extract from Informal Cabinet Meeting Record - 8 May 1979, 2.30 pm

c. Devolution - Ministers confirmed their commitment to all-party talks on further devolution of government to Scotland and they also confirmed their intention to repeal the Scotland and Wales Devolution Acts. Ministers were clear that the Government has no commitment to an elected Assembly for Scotland but they did wish to consider further the suggestion that a Select Committee of the Commons should sit in Scotland, although they recognised that this had implications for the business of the Westminster Parliament. The Secretary of State for Scotland, in consultation with the Chancellor of the Duchy of Lancaster, was asked to prepare urgently a paper on these issues for consideration initially by the Home Affairs Committee (H) under the Home Secretary's chairmanship.

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cc CLDO
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CWO
CO

10 DOWNING STREET

From the Principal Private Secretary

8 May 1979

Devolution

The Prime Minister and her colleagues discussed Devolution at this afternoon's informal meeting of Cabinet Ministers.

As a result of this discussion, the Government's commitment to all-Party talks on Scotland was re-affirmed, as was the Government's intention to repeal the Scotland and Wales Acts; there is no commitment to an elected Assembly for Scotland. The proposal for a Select Committee to meet in Scotland is, however, to be pursued, taking account of its Parliamentary implications.

Following the discussion, the Prime Minister asked your Secretary of State, in consultation with the Chancellor of the Duchy of Lancaster, with the support of the Cabinet Office, to prepare urgently a paper on these issues for consideration by H Committee.

I am sending copies of this letter to John Stevens (Office of the Chancellor of the Duchy of Lancaster), John Chilcot (Home Office), George Craig (Welsh Office), Murdo Mclean (Chief Whip's Office) and Martin Vile (Cabinet Office).

K. R. STOWE

K.J. MacKenzie, Esq.,
Scottish Office.

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KRS is writing.
pa.
Home Affairs

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Ref. A09458

PRIME MINISTER

Devolution

Although no immediate action or decisions are required on devolution, this note is submitted because:-

(a) Responsibility for devolution at official level has been located in the Cabinet Office itself with a small Constitution Unit working directly to the Lord President of the Council on this issue since 1974.

(b) You may want to consider whether Ministerial responsibility might now revert to the Secretary of State for Scotland on a view of the kind of changes in the government of Scotland which remain to be considered; devolution to Wales is clearly no longer a distinct policy issue.

2. The draft Orders in Council for the repeal of the Scotland and Wales Acts were laid on 22nd March and survive for consideration in the new Parliament. They require approval by a Resolution of each House. Before the draft Orders are debated, however, you might first want to have reviewed what the Government might propose about possible changes for the government of Scotland and Wales.

3. For Wales, there is a Manifesto commitment to propose a Select Committee for Welsh Affairs. This proposal can be put to the House together with the recommendations of the Select Committee on Procedure for which you have undertaken to provide an early opportunity for the House to come to decisions. There is also a commitment to propose a reformed Welsh Council consisting of representatives of all the county and district councils. No doubt you will look to the Secretary of State for Wales to undertake the necessary consultations with the interests concerned.

4. For Scotland, your Scottish Manifesto also proposed the early establishment of a Select Committee for Scottish Affairs. This too could be pursued in the context of the Select Committee on Procedure's recommendations, without prejudice to whatever might be the outcome of the discussions with other Parties on the future government of Scotland to which you are committed.

5. As for a possible forum for these discussions, you might want to proceed relatively slowly. Informal soundings of the views of other Parties on what arrangements might attract the widest support would seem necessary. The possibilities could include an all-Party conference of Ministers and Party Leaders, a Joint Select Committee and a Commons Select Committee. But the choice of a forum might in the main depend on what options for change the Government themselves might want to put forward.

6. The outcome of the referendum can be accounted a rejection of an elected Assembly with legislative and executive powers for Scotland alone and it has not so far been possible to conceive alternative proposals for such an Assembly which would be likely to prove more acceptable or provide for greater constitutional stability, particularly in respect of the role of Scottish Members of Parliament. Although a federal system for the United Kingdom as a whole, with a parity of relationships for each of its parts, could accommodate a Scottish legislative Assembly, there is clearly little interest in and less demand for so fundamental a change in the country as a whole.

7. Although it might not be possible to avoid discussion of these options given the policies of other Parties, and both were included in the draft of a submission for an all-Party conference published by the Conservative Party last December, the remaining options proposed for discussion in the draft were:-

(a) Further changes to House of Commons procedures for Scotland, including a greater role for the Scottish Grand Committee which might meet when practicable in Scotland.

(b) An inquisitorial Assembly constituted from representatives of local government or other interests, although this could result in a conflict of role with a Scottish Select Committee and might not be welcomed by Scottish Members. If elected, an Assembly of this kind would more acutely provide for uncertainties about representation and could foster political instability.

8. You will want a considered political judgment on this issue in the light of the experience of the election campaign in Scotland but, on a preliminary view, the course of action might be:-

(a) Repeal of the Scotland and Wales Acts. ✓

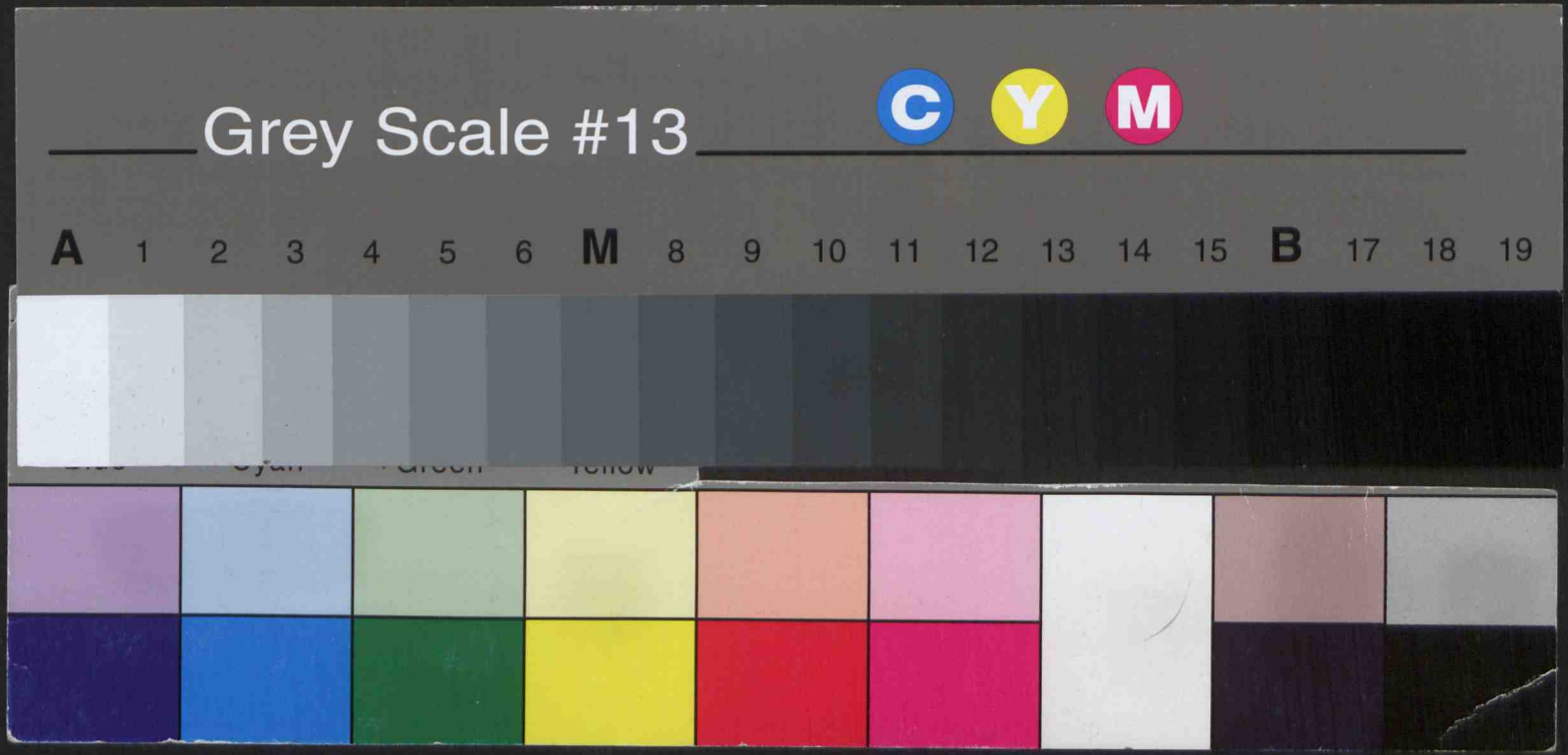
(b) As a first step, propose a Select Committee for Scottish Affairs and that all-Party consideration might be given (for example, by the Select Committee on Procedure and the Scottish Grand Committee) to other possible changes in House of Commons procedures for Scotland.

(c) Consider in the longer term whether some different all-Party forum should be constituted to consider other possible changes for the government of Scotland on a view of what the Government itself might wish to propose.

9. You might want to invite the Secretary of State for Scotland to take the lead in developing proposals.

(John Hunt) 4/5

I Agree - and the Lord Chancellor. This must be on our agenda early Oct.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