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## DEVOLUTION

*The Commercial Community's Fears\**

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I welcome the opportunity to take part in this seminar today on a subject which has become of the most vital concern to us all. And I am grateful to the organisers for allowing me to do so in order to express the fears which many of us have about devolution and specifically about the Scotland and Wales Bill. I don't, I must say, feel like a cat — any more than you look like pigeons. Only you can judge whether the metaphor is nonetheless apt. I do on the other hand confess that I feel a little bit like the condemned man climbing the platform who looked up at the noose and then turned to the hangman and said "Is it safe?"

The distance between the West and East Poles is, as we all know, not to be measured merely in miles. In many ways we have a close affinity. We share a great love of opera, for example, if not always the same degree of will and ability to fulfil it. We also share a great pride in being Scots and in together representing the heartland of Scotland. And we share, I believe, a concern to see that out of the present great parliamentary and public debate on devolution there shall come solutions based on reason and good sense, which will be lasting and for the benefit of us all. And I suspect we may not be too far apart on the subject for today. One of the most marked features of the debate, for reasons we all know, has been an unwillingness (now clearly diminishing) on the part of many, and not only politicians, to say in public what they are prepared

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to say in private. It is because I believe the issues to be too important to allow this state of affairs to continue more than is reasonably necessary that I am here today.

I am one of those frankly hostile to the Bill. In expressing my reasons for this I shall seek as far as possible to do so in a non-party political way. I am well and regretfully aware that in expressing these criticisms I shall offend some people present. I hope that they will accept that it is not done lightly, and that it springs from convictions as deeply and sincerely held as theirs. You will rightly expect me to express a business view, and as far as can be ascertained *the* business view, but I should like before doing so to make one or two observations which seem pertinent as background and context.

We need not, indeed we cannot, regard the issues presently facing us as being the consequence of some crisis peculiar to ourselves. After thirty years of external peace the truth of Mr Robert Ardrey's dictum expressed in the formula  $A = E + H$  where A is the degree of amity in any given community—whatever its size — and E is the degree of enmity it faces from outside and H the natural hazards it has to deal with — must be apparent to us all. It is a natural trait that we band together more in time of common danger than when such danger is or seems to be removed. The devolution argument is only one of many manifestations of this. So much in our present way of life in the western world, our morality, our social attitudes, many of our institutions, and our economic system are all under challenge — some might say threat — from within. We should recognise this as being something instinctive and not always rational, and be on our guard against ourselves accordingly. We should not bounce ourselves or be bounced into acceptance of change, either merely for change's sake, or because the going under our existing rules has become rough. Equally we should not fail to change or adapt our ways or our institutions where there is rational ground for doing so.

In this context those of us supporting the Scotland is British Campaign do not believe that the present devolution proposals meet the test. We do not believe in them for a number of reasons.

First, we are deeply suspicious of narrow and emotional nationalism, which all history has shown forced-breeds in time of economic uncertainty. That is when advantage may be most readily taken of natural human fears, and when the claim may be made to be able to do better as a smaller group.

While decentralisation is a legitimate political objective and one which we would share, it degenerates in human terms when used as an excuse for emotional nationalism, or as a contrived stage towards racist nationalism. Seeking not unity, but division, contrary to the concept of the brotherhood of man and set upon placing man against man, it is an inverted form of patriotism. It is small wonder that that cause has not attracted one major and respected national figure, outside political ranks, in years of campaigning on its behalf. *We* want to maintain the ties which have bound the people of Great Britain harmoniously and beneficially together for the best part of three centuries.

Secondly, we believe and fear that the creation of a directly elected assembly will lead almost inevitably to separation. The proposals are disruptive. The Assembly, whatever its composition, will come to regard itself as more representative of the Scottish people than Westminster Members of Parliament. Increasingly the Assembly will refuse to remain wholly subordinate to and financially dependent upon Westminster and Whitehall. Pressure for more power and finance will generate rising hostility between Edinburgh and London. You will yourselves today, I am sure, discern many other points of potential conflict. And the establishment of an assembly will immediately diminish the influence of Scottish MPs who will become demoralised half-timers, and will weaken Scotland's political and economic power in London, the commercial centre of our most important market.

And bear in mind, I request you, the views expressed by Kilbrandon that there must be harmony as a pre-requisite and by Sir Charles Wilson in his note of dissent from the Douglas-Home constitutional report when he said: "An assembly with power to question ministers authoritatively and with power to legislate within a restricted field would seek the progressive extension of those powers. An assembly with real powers would seek to make itself the effective forum of political interest and to determine the reputation of ministers and government. It follows that, in proportion as it is effective, an assembly with real power will tend to diminish the role and importance of the Scottish members of parliament and to impair the constitutional unity of the United Kingdom. Its logical outcome is an independent Scottish parliament." These are views which the separatists share and they are, moreover, their objectives. We agree with them that independence is the only outcome.

Thirdly, we believe, again as the separatists do with total

honesty, that many people believe that an assembly will cure all our economic ills, and remove their worries about jobs and job security, prices and inflation, homes and health and all the rest; and that when they have found that it does not they will in the atmosphere of conflict which has been assiduously created and stoked up, both among ourselves and between Edinburgh and Westminster, from the increasingly more powerful platform which has been created, take the final step to separation in search of an entirely new solution.

Fourthly, we believe that there would be no advantage to industry and commerce from the assembly's creation, but the reverse. We do not accept the arguments based on a specious claim to North Sea oil. The regional development policy which has operated to Scotland's advantage in the past could be undermined, and we could well have less assistance in steering industry in this direction. Fear of ultimate separation will discourage, indeed does already discourage, indigenous and inward investment. We have tangible evidence of this. There would be increasing disruption of present industrial and commercial integration between Scotland and England. In the event of separation, our home market is cut by 70%, and trading with Europe would be disastrously affected. The future of Scotland's uneconomic coal mines and railway lines would be in doubt. Whether on creation of the assembly or separation, devolution cannot but damage Scotland's job prospects.

Fifthly, by 1978, if European elections take place, with an assembly there will be five layers of elected authorities affecting the government of Scotland. Anyone who argues otherwise should, I suggest, try to persuade someone in Sauchiehall Street. True, we did not object to Brussels, nor should we to Luxemburg but these are in the causes of supra- and not introverted and parochial nationalism.

Sixthly, we deplore the unnecessary costs an assembly would entail. We have witnessed the official (which — with respect to those who may be sensitive on the subject — means *under-estimated*) annual cost of the assembly already increase from £10 to £12m. We all know that this figure will continue, and probably rapidly, to rise. Money which could be much better spent elsewhere, or still better, just saved. It is not unreasonable to suppose that within five years the annual cost of an assembly, with its attendant bureaucracy and services, and whether it has an executive or is a headless wonder, could be of the order of

£50m and rising. And all for what — in order we are told to satisfy the legitimate aspirations of the Scottish people who have yet to be told that they may be paying for the privilege to the tune of £10 per annum every man, woman and child of them. Or else that that cost will be largely borne by the English taxpayer — which might please us but could be one good reason for the English to have a right to take part in the referendum. And all that extra cost before additional taxes are imposed, as they surely would be. Not to mention the withdrawal of regional employment premium, the additional national insurance contribution and, in the case of Strathclyde, at least a 40% rates increase threatened for next year alone. And it is not reasonable to argue that the increasing costs of the new bureaucracy would be offset by abolishing the regions. There is a lot to be said for a review of the regional structure, and 40% rates increase is one good reason, but we must be clear that even if the main regional authorities were to be abolished, *somebody* must continue to provide the essential services, the roads, the schools, the hospitals, the firemen, the police and all the rest. Savings there are to be made, but we don't need an assembly to achieve them and to offset them. And all the additional expense which the new legislature and supporting bureaucracy would create would not be found gushing out of the North Sea. It will gush out of your and my pockets.

And lastly; in short the assembly would mean more taxes, more politicians, more civil servants, worse and disputative government, less influence in London and compelling demands for the break-up of the country. And separation would mean Scots-English alienation, economic disruption, less investment and fewer jobs.

Many of us in business have occasion to visit and speak to people overseas. I think there are few of us who would attempt to deny that our friends abroad find it quite incomprehensible that at a time when our whole economy is in very uncertain shape, our attention should be monopolised by an internal and irrelevant dispute of this kind, and that we are not even yet seriously applying our minds to the real issues like productive efficiency, and inflation and unemployment, when we are living, as they rightly see it, on their charity. Moreover there are many who feel that it is equally incomprehensible and tragic, that a country which has created the finest and most durable form of parliamentary democracy that

the world has yet seen, should in this time of economic and social uncertainty, be concentrating its efforts, not on averting the real dangers, but upon digging away and seeking to undermine the very foundations of the constitutional framework and structure upon which so many of our liberties depend.

These are views we wholly share. In consequence we have been involved with trade unionists and others in the establishment of the "Scotland is British Campaign" and are actively engaged in supporting it. Let me say at once that we know this is a controversial step we have taken. We may reasonably be accused of entering into politics which is rightly not regarded as our role. To this we answer that if the future unity of our country is at stake, then the issue is far more than a political one — it is a major constitutional issue like joining Europe, which is as much a business concern as anyone else's.

The step we have taken is also controversial in that we know some people hold that a directly elected assembly is necessary and desirable, either as a stepping stone to separation or as a means of avoiding it.

But it is precisely *because* neither the press nor any of the political parties — at least until now — have been expressing the viewpoint that we represent, that we have felt we must advance it. And we have been further impelled to do so because solidly and consistently throughout the last year, the members of the C.B.I. and of our Chambers of Commerce in Scotland have given us their support and urged us to express their views. Indeed, only two expressions of dissent have been received during all that time by either of these groups, representing 9,000 odd members, and one of them was from an otherwise respectable Scottish newspaper. Let me say at once that in my own case I simply do not believe that among my 2,700 members in the Glasgow area there is not more than one who does not agree with us, or who is a member of the Scottish Nationalist Party. But though there probably is, after a year in which our views have regularly been expressed, I have yet to hear from them.

By contrast, all the expressions have been of support and gratification for what we are doing. Again, in my own case, which is the one about which I can speak with absolute knowledge, not one of my members who has resigned throughout the year has done so through dissatisfaction with what we have been saying and doing, whilst we have on the contrary had a net increase in our membership and some of our new members

have expressed as their reason for joining us that we *are* prepared to take a stand on this and other major issues. So far, from being worried about whether we are truly reflecting the views of the overwhelming majority of our members, I would only be worried if we had not done so.

We and the others I have mentioned stand firmly behind the "*Scotland is British Campaign*" whose purpose quite simply is to mobilise public opinion to persuade Parliament — and it doesn't at the moment look like needing much more persuasion — that the Devolution Bill endangers our common British nationhood and should be withdrawn. In this purpose we are supported by many trade unionists, and others outside business. We seek to have the Bill withdrawn in order, and I emphasise this, to give both the major political parties of this country an opportunity to think again. We are providing a rallying point for many outside of our own spheres who share our views. A list of what many might call establishment figures who publicly support us is available and fast growing, but in addition to this there are many others in leading and official positions who cannot openly declare their support (mostly, but not always, for understandable reasons) but who have been prepared privately to do so. Others, like the Scottish Council for Development and Industry at their annual general meeting, have made it plain that they believe that their position must now be one of strict neutrality.

These are some of our credentials and I have spent these few moments describing them as honestly as I can because it is only natural for the sceptical or hostile to question or to challenge them, and only right that we should reply. And I don't want merely to proselytise; my other purpose I shall explain in a moment.

Moreover, all the evidence we have, and it continues to grow on left and right in parliament, in trade unions and widely among the public, is that our views are increasingly shared. I think the most discerning comment which has been made about Scottish opinion, which most would agree is now volatile, was made earlier this week by the Deputy Editor of the *Glasgow Herald*, when commenting on their recent poll. This showed that 32% of those polled didn't want devolution in the form proposed. He suggested that until recently, if the subject was an issue at all with the broad mass of the public, people were asking themselves whether there should be more devolution or less,

whereas they were now concerning themselves with whether there should be devolution at all. In our belief, the more people are becoming aware of what is involved, the less they like it.

Devolution as a concept, as I have said, is something to which we can all subscribe. To the extent that it may be desirable for accountability or legal reform or other reasons — none of them, I hope, to be parochial — by all means let us examine it — but not this way. It's like using high explosive to crack a peanut.

I have rather carefully avoided mentioning the law until now, but I hope you will allow me briefly to do so and to address myself to the lawyers among you. As some of you may know, I have a modicum of genetic inheritance. My grandfather, my father, one of my brothers and other relations too numerous to mention have all been members of the profession. I have been born and bred, have lived and will die with a love for and a passionate belief in the integrity and greatness of our legal system, whatever may be its minor imperfections. I have an awesome respect for its practitioners.

And it is with these deep-rooted feelings and beliefs that I claim the right and the duty to say that over the last ten or fifteen years — maybe it is because I am senescent, I don't know — I have been growingly worried, as the most sympathetic of observers, that when there have been national debates on issues of the most profound significance, so many lawyers in all sectors have been unwilling or felt unable to express personal or collective views on matters which transcend the political and which they know to be damaging to our society. I have sometimes felt that as the great ship S.S. Democracy sinks slowly beneath the waves, our happy band of lawyers will be found at their ease in the best staterooms with the best of brandy and cigars, discussing with superb elegance and wit and with brilliant, indeed dazzling, clarity and insight, whether Section 12 of the latest piece of statutory nonsense is compatible with Schedule VI, paragraphs a) and b).

In a word, I do hope that the lawyers and, indeed, everyone present will take part in today's discussion with total frankness and without inhibitions (there is no Press, I'm told), that you will bear in mind the very real possibility — indeed as many of us see it now, the probability — that this Bill will not be enacted, or will be defeated on a referendum. (I have forborne to comment on that disgraceful proposal, though I think it may

be relevant to your discussions, if not to this paper). I earnestly hope, therefore, that the questions put before you will not be considered solely in the context of the Bill, but with a view to finding the best solutions, whether compatible with the Bill or not. In that way, I do believe, this seminar will make the substantial contribution we all wish it to do. Moreover, we owe no less, I suggest, to the great British community of which most of us are so proud to be a part.