## Response

Good afternoon, and thank you again, Dean, for putting this seminar on. I've been asked to respond briefly to what Ruth had to say, and I suppose, I've reached that stage in politics where I have largely retired, and intend to remain retired, where I can say that I agree with much of what you said.

Apart for the bit where you wrote me out of the script at an early stage in your speech. And I hope you'll take it in the right way when I say to you I've watched you grow in Scottish politics and in UK politics, and I still often wonder why you're a Tory, but there you are.

I want to respond to some of the things that have been said today about Scotland, because of my experience in the referendum campaign. And I also want to touch briefly on some of the things that were said in the earlier session. I was interested in Maurice Glasman's quite thoughtful remarks about decentralisation, and in particular, in relation to local banks.

Now, I do know something about banks, and I was reminded of the fact that when I was 17, I opened my first bank account in a very local bank called the Royal Bank of Scotland in Edinburgh. A few years later, it was RBS, a few years later, it was the biggest bank in the world. And ten years ago this October, I ended up owning it, on your behalf, of course.

So, it just shows that these regional banks, there might be something in this. What I want to do is just to briefly look at the Scottish referendum, and inevitably, that touches on Brexit, to draw on the lessons that I draw from it. And also, to touch on the arguments this morning.

Because one of the things that struck me this morning is an awful lot of the view of Scotland was somehow, it was about the love of institutions, of being British, of flags, partly emotion, but partly, you know, this is an end in itself. Whereas when we started fighting the referendum campaign in Scotland in 2012, I was very clear from the start it was about the economy.

There's about a third of Scotland, who is inclined to vote Nationalist. Partly, those who believe in Scottish exceptionalism. They believe that Scotland should be on its own, as a matter of principle, and that's the end of the argument. Partly those that say, look, we've got nothing in common with our neighbours; we should be on our own. And other reasons, too.

But about, just under a third would take that view. And equally, on the other end of the political spectrum, there are people, probably just over a third, who would take the view that come what may, the United Kingdom is something they value, and they won't hear any argument against it.

But there are a very large number of people in the middle, whose votes were up for grabs. And basically, their inclination was to vote to leave, to say Yes to the Nationalist proposition, unless you could convince them that they would be worse off economically, that there would be greater harm to themselves and their families.

And there was a lot of criticism at the time in the way that we ran that campaign, but I was very clear that you had to do two things. Yes, you had to point to the ties of people north and south of the border, family ties, the history, and all the rest of it.

But you also had to make a practical case, as well. Because whether you like it or not, for a large number of people in Scotland, it is increasingly the case it is a utilitarian relationship within the United Kingdom, rather than something, "we're British, and we're never going to have to change".

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Rather like in party politics, when you used to knock on the doors, and people would say, yes, we've always been Labour here, or people say, look, we're always Conservative here. It's changed. People's views on where they stand, what they support, have changed.

And I say that because Ruth is absolutely right in relation to the point about complacency. I do not believe there will be another Scottish referendum in the foreseeable future, possibly not in my lifetime. I'll tell you why not. Firstly, the public don't want it.

Most of the British public, never mind the Scottish public, are heartily sick of referendums. They divide, they turn people against each other. The scars are deep – they're still there in Scotland – and people don't want to go through that again.

Secondly, the emotion of what happened in 2014, it's still there, but the economics have got worse; oil price is a case in point. It's interesting that Nationalists now open talk about the virtual fraudulent nature of the document they produced in 2013, which set out the economic case.

None of them will stand by it now, and yet, there's another one coming out on Friday. What seems to be different is we're now going to have a Scottish pound; sharing the pound is off the agenda. They've probably noticed that if you spend a lifetime abusing people that you don't like, and then you break away and say, now can we have a close relationship with you, it doesn't somehow work.

Look, for example, at what's going on in the present time. But, you know, the economic argument has changed, and to make the case, the economic case, I think would be very difficult. But to assume, therefore, that's it is a huge mistake. Not just because, as I said, there is a core of people in Scotland who do believe that independence is the right course of action.

But because if people come to believe that the union is not delivering for them what is important, then the argument for breaking away will gather strength. And I was interested in the arguments, because I've heard them so many times before over so many years, and heard them myself, first hand, about, you know, decentralisation.

It's, you know, I'm very much in favour of decentralising. Incidentally, the Nationalists are probably the most centralising government there has ever been in the United Kingdom, in terms of taking powers to Edinburgh away from the rest of Scotland.

But I would remember in the Brexit campaign, you know, I had a walk on part there, I was sent to Sunderland and Newcastle a week before the campaign. And, you know, when I was doing a walk about, as you do with the BBC and ITV cameras in full tow, unfortunately, it wasn't a great day.

And I met this young woman who came up to me and said, I work for Nissan. And I thought, great, I've found somebody who's going to vote for remaining. She said, I'm voting for leave. And I said, why? And she said, because when we leave, there won't be duty on the cars we produce when we sell them to the continent.

And I said, no, it's the other way around. And then she said, very vehemently, in words that the BBC, happily, could not broadcast, therefore, this exchange was never shown, I think, live on air, that I was just one of these politicians who were determined to do down the North East.

And what it brought home to me was the fact that for a lot of people, the perception of government, whether it's in Edinburgh, if you're in Scotland, or whether it's in London, if you're in England and other parts of the United Kingdom, as well, is important. Decentralisation, in itself, will not do the trick.

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And the essential point is this, that if you want to win any future referendum in Scotland, which I think is, frankly, a long way away, or if you want to ask yourself, why did people vote the way they did in relation to Brexit? To a large extent, it was the economy.

There is a clear correlation in both referendums as to how people voted in relation to how well they felt they were doing, or the area in which they lived, how it was doing, and how they voted. London, for example, voted overwhelmingly to remain in the European Union.

London is one of... if you took London out of the UK, we'd still be one of the biggest economies in the world. And yet, if you go just the other side of the M25, there are towns, villages, out... just over the border, which voted, very heavily, to leave. Because what they saw was things had been taken away from them. The jobs had gone. The shops had gone. Things had changed.

And unless we sort that economic problem out, unless we actually, rather than just talk about decentralisation, not just of structures of decision making, but actually, we make sure that the economic opportunities are available outside, particularly England's big cities, then you will get more of this.

I accept that we voted, in the referendum and Brexit, to leave, and I'm consistent in this. I said, in Scotland, if you vote to leave, there's no going back, that's it. And we're in the same position now. Where we will end up, I honestly do not know. My guess is it will be several years down the line, and it may end up looking not a million miles away from where we are just now, except we don't have much say in what is going on.

Maybe I'm being pessimistic. Maybe we'll be better than that. But what I do know is that if we do not fix the economic problems that have caused this rise of nationalism, this rise of the feeling that you should look in, not look out, then we will be storing up problems for ourselves in the future.

It may not manifest itself in a vote in Europe, but there will be something else that will come along, where people will say, you're living like this because it's somebody else's fault, and here we have a solution for you, which is going to change things.

That's why I worry about not just in Scotland, and you know, it amazes me that so many people down here never picked up what was going on north of the border, because the same language was used two years later in the UK referendum. Well, what worries me is that, you know, after the post-war years, where people tended to be more liberal in outlook and more outward-looking, we're now drawing in on ourselves.

And I don't think it's a passing phase. I think it's going to go on for some time yet. But the only way, and the only right way, because it's the right thing to do, is to make sure we fix the economics, to fix the lack of opportunity.

Yes, you can change structures; I'm all in favour of that. But unless you deliver, in terms of the opportunities and people's perception, that actually, they are cared about, then the same problems are going to arise. And, as I say, they will manifest themselves in different ways, at different times, but that seems to me something that needs to be avoided.

So, I think, in relation to Scotland, and Ruth has put forward a compelling, critique of what has happened, and what could happen, you know, given that Scotland has got powers to make things better, the key, though, is whether anyone, whether politicians in London, Edinburgh, or anywhere else, actually do things, rather than talk about them.

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Because unless they start doing things then we will simply be inviting people to come back another day for exactly the same situation as we now have.

Thank you.