NICOLA STURGEON MSP
SNP LEADER AND FIRST MINISTER OF SCOTLAND

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NS: Oh, it’s a significant and very serious situation. I think it’s time for a fundamental look at the headline rate of tax that companies pay. But I also think there’s work that the Scottish government and the UK government can do together to support the local infrastructure in Aberdeen. The Oil and Gas sector in the North Sea does have a strong future if we do the right things now, but we’ve got to make sure that the infrastructure of Aberdeen is right to support that sector, but also to support over the next few years diversification as well.

AM: At the time of the referendum the Scottish government was predicting 7.9, up to 7.9 billion revenue coming in from North Sea oil and gas to the Scottish government. That’s now a 13th of that is likely, so it’s a huge, huge hole in the revenues. How does that change your thinking?

NS: Well firstly let me say that the projections that the Scottish government made were in line with all external projections for price and for revenues ...

AM: I’m not suggesting they’re not ...

NS: I remember David Cameron coming in the final few months of the referendum campaign and saying to people here vote No for a £200 billion oil bonanza. But, you know, even given the difficulties facing oil and gas right now we’ve got to remember, and can point to, the real strengths of the Scottish economy, notwithstanding the difficulties we’re seeing in the North Sea. We’ve got higher employment in Scotland than other parts of the UK right now.
AM: Lower growth however ...

NS: Well we’ve had three years of continuous economic growth. That’s the longest continuous period in the lifetime of the Scottish parliament.

AM: But if you lose £7 billion of revenue annually into the Scottish exchequer that has to be made up somehow. I just wonder how it’s going to be made up?

NS: Well, I said our growth in onshore revenues over the next few years is projected to significantly outstrip the decline in offshore revenues and our deficit, even on the most pessimistic projections, will fall every year over the remainder of this decade. So, you know the point here, and it’s a point that is often lost about the case for independence, and yeah, I take some responsibility for perhaps not getting this argument across strongly enough during the referendum campaign, is that the case for Scotland as an independent, strong independent country was never based on oil.

AM: Nonetheless you were talking about what Cameron said, you yourself talked about a second oil boom which hasn’t exactly happened, as it?

NS: Well, what I’m saying is you know, our projections were not out of line with external projections. Let’s hear more about what the UK government that wanted so much to keep the levers that affect the North Sea in their hands, let’s see what they’re going to do and I hope that in the next few days we hear some positive news about support for the North Sea and some positive news about a City deal for Aberdeen.

AM: Speaking of David Cameron, you’ve also been negotiating with him about the Scotland Bill and greater powers for Scotland under the UK, how’s that going?
NS: The new powers in the new Scotland Bill don’t go anywhere near as far as I would like. I don’t think they go as far as was promised during the referendum campaign but there are powers I would rather have than not have. But in parallel to that we are negotiating what’s known as the Fiscal Framework that goes around that ...

AM: How much money you’ve got really...

NS: ...to take account of the new tax and spending powers. Now these negotiations are ongoing. If we’re going to get these new powers agreed and in place before the Scottish parliament election, the negotiation’s got to conclude by the middle of February...

AM: So time is short?

NS: Now time is short, the clock is ticking and there is a long distance still to travel. The Scottish government will be busting a gut over the next couple of weeks to try to get to a deal, but we will need to see more movement, significantly more movement from the UK government than we’ve seen so far and if we don’t get that I will not sign up to something that is unfair to Scotland. I’m not asking for any special favours for Scotland or for any special treatment, I’m simply asking for fairness and I won’t agree to something that doesn’t deliver that. And David Cameron should be under no illusions about that.

AM: Now another big political event we expect this year could the EU referendum. If the country votes to leave the EU, we get Brexit as it’s called, would that definitely trigger a further Scottish independence referendum?

NS: If Scotland had voted to stay in and the UK as a whole votes to come out which therefore means Scotland faces being taken
out of the EU when we don't want to be, I've said before and I will say again I think it is highly likely that would trigger an overwhelming demand for a second Scottish referendum on independence. You know, the democratic outrage of being taken out of Europe against our will I think would make that almost inevitable.

AM: If we actually do vote to leave the EU, there'll be lots and lots of questions about what happens next and lots of stuff to be sorted out, negotiations and so forth. In that same period we could have a referendum on Scotland leaving the UK – that would be general political meltdown in terms of our traditional institutions?

NS: I don't want that situation to arise. I'm not taking some kind of Machiavellian view of this, that somehow I want to engineer that scenario because it might lead to a second independence referendum. I'll be arguing for Scotland to vote to stay in the EU and I'll be arguing, if people in the rest of the UK care to listen, I don't know whether they will or not, but if they do I'll be arguing that the UK as a whole should vote to stay in the EU.

AM: Now it's suggested, we don't know yet, that David Cameron wants to hold the referendum on Europe on June 23rd. Would that be a problem for the SNP?

NS: I think it would be a mistake for David Cameron. I had the Foreign Secretary in here last week and said as much to him directly. Two reasons why I would not be in favour of a June referendum. One, you might interpret as being you know a bit selfish. The Scottish election is in May, indeed the Welsh, the Northern Irish, London elections in May. I think to have a referendum campaign starting in parallel would be disrespectful to those important elections.
AM: You’ve still got 7 weeks after those May elections.

NS: yeah, but you would be - given the statutory campaign period for the European Referendum you would undoubtedly start to confuse those issues. But the second reason is I think it would better for David Cameron to leave more time between – if he does get a deal at the February European Council to leave more time between that deal and the point of decision. Because one of the big problems I see for the In campaign at the moment is that as far as David Cameron is concerned it’s very much focused on these narrow issues of renegotiation, when in actual fact if the In campaign is going to prevail this is going to have to become a positive in principle campaign about why it’s better for the UK to stay within the European Union.

AM: It’s going to have to become a Yes campaign.

NS: Well, I’ll tell you you know, while there are differences between the Scottish campaign and a European referendum there are undoubtedly analogies and if the In campaign behaves the way the No campaign behaved in the Scottish referendum I fear it will lose because you know in the Scottish referendum the two campaigns started miles apart in the polls, we had a thoroughly negative and you know –

AM: What you called ‘project fear’ at the time.

NS: We had a negative, fear laden campaign from the No campaign and they almost lost. In the referendum, for Europe, the EU referendum, the two campaigns are much closer to start with and if the In campaign falls into the trap of the No campaign I fear it will lose. So you know I hope to see a bit of time between you know the outcome of a negotiation – I think will inevitably disappoint those who are hanging so much store by it, and the
point of decision and in that interim period I want to see and I will be trying to make a positive campaign for membership of the EU.

AM: Many people looking at the electoral system across the UK think it’s almost impossible, not impossible, but almost impossible for Labour to win the next election with a majority at Westminster. One way through that might be some grand alliance with the SNP. If the Labour Party came to you and said, look, we have genuinely gone through a change of heart, a change of soul and we are genuinely in favour of full scale Scottish home rule is there any kind of negotiation conversation you could have with them on that basis?

NS: if we go back to before the General Election last year, it was the SNP that was saying we wanted to be part of a progressive alliance. It was Ed Miliband who completely turned his back on that and I actually think Ed Miliband would have done better if he’d handled that issue differently. I think in the –

AM: if there was a change of heart, is my question.

NS: I don’t think Labour as a government right now is a credible notion in any sense. But that’s not for me to sort out, that I’m afraid is for Labour to try to find a way of sorting it out.

AM: But you agree with – you agree with them and they agree with you on lots of issues, including austerity and taxation and so forth, and fairness and all of those agendas. Not perhaps Trident. I wonder what you made of Jeremy Corbyn’s suggestion that you could keep the Trident submarines and therefore keep the jobs in Scotland but not have nuclear missiles on them?

NS: I think it was ridiculous and, you know, I think it’s a sign of just how tortured these debates are becoming within the Labour Party. Now on Trident I agree with Jeremy Corbyn. I – I’m not in
favour of the renewal of Trident. And we might have a vote on that in the House of Commons sooner rather than later, and I think the real challenge to Jeremy Corbyn is can he get his party into the position he wants them to be in so that we can have a – any chance at all of stopping the renewal of Trident. For Labour to sit on the fence on this issue or have a free vote on this issue will leave them without a shred of credibility. So on this issue I hope Jeremy Corbyn can stamp his authority and do so quickly.

AM: Alright, there’s lots of Scottish issues we could talk about. I won’t run through all of them, but one of the things that caused a lot of controversy was the closure of the Forth road bridge for so long. There was a budget originally for rolling maintenance and repairs on the Forth road bridge, and it was taken away and moved to other departments, it was taken away. That was a bad mistake wasn’t it?

NS: No, no, hold on. All the essential maintenance that was required to be done on the Forth bridge was done, and the – the disrepair, the – the – the problem with the Forth Bridge, and there is a Scottish parliamentary inquiry into this just now which is ongoing, so we’ll see what it has to say, but the problem that occurred on the Forth road bridge was something that was unforeseen and unforeseeable.

AM: There are engineers around who say that it wasn’t unforeseen – foreseeable, and it wasn’t unforeseen, and there were cracks and there was a budget to deal with it, that budget was removed.

NS: That’s – you know, there – there is nothing that was proposed to be done to the Forth road bridge that wasn’t done because of budgetary issues that resulted in what caused the problem before Christmas. But the key thing – the key thing of importance, to the travelling public is that that bridge was fixed thanks to engineers who performed heroics over the – the pre-Christmas period,
sometimes in very difficult weather conditions. That bridge was opened ahead of schedule, and as we speak right now cars are trundling across it in both directions and hopefully HGVs will be before too long as well.

AM: Now, something that’s entertained the entire country greatly has been the passage of arms between Alex Salmond and Donald Trump. Do you think Donald Trump should be banned from Scotland?

NS: Well, that’s not my decision, perhaps – perhaps thankfully. you know, I, as first minister, took the decision to take away the status that Jack McConnell, one of my predecessors had given him as a global Scot, one of the people we asked to promote Scotland overseas. You know, it’s not – it’s not politic for the head of a – a government in one country to pass comment on upcoming election in another country. Let’s just say I – I have every confidence that the good sense of the American people will prevail on the question of Donald Trump.

AM: Finally I’m going to be talking to Rona Fairhead, the chair of the BBC Trust on this programme. I know the SNP has views about what kind of broadcasting environment you want and how you want the BBC to act in future. What’s your message to her?

NS: I think the BBC have got to reflect on the fact that if you look at the most Audience Council figures, you know, something like 60 to 65 per cent of people outside of Scotland thought that the BBC news and current affairs broadly reflected their life. In Scotland that figure was less than 50 per cent. I’ve put forward – the Scottish government’s put forward proposals that would see the BBC have a more federal structure with more programming in Scotland, more platforms in Scotland in terms of...
AM: And you’ve suggested that you’d like a specific Scottish channel?

NS: Yeah, absolutely. And you know, there’s many people in BBC Scotland would agree with that as well. So these are proposals we put forward constructively as part of the charter renewal and debate, and I hope that the BBC and BBC Trust will listen to those proposals carefully. I think the BBC is an institution we should protect and that we should support. But I also think people in Scotland have got a right, as people across the UK do, to see the BBC reflect life in Scotland here perhaps better than it has done sometimes in the past.

AM: Nicola Sturgeon, First Minister, thanks very much for talking to us.

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