

# **EUROPEAN COMMITTEE**

Tuesday 9 November 1999  
(*Afternoon*)

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## EUROPEAN COMMITTEE

### 7<sup>th</sup> Meeting

#### CONVENER

\*Hugh Henry (Paisley South) (Lab)

#### COMMITTEE MEMBERS:

Dennis Canavan (Falkirk West)  
\*Bruce Crawford (Mid Scotland and Fife) (SNP)  
\*Dr Winnie Ewing (Highlands and Islands) (SNP)  
\*Dr Sylvia Jackson (Stirling) (Lab)  
\*Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab)  
\*Ms Margo MacDonald (Lothians) (SNP)  
\*Maureen Macmillan (Highlands and Islands) (Lab)  
\*David Mundell (South of Scotland) (Con)  
\*Ms Irene Oldfather (Cunninghame South) (Lab)  
\*Tavish Scott (Shetland) (LD)  
\*Ben Wallace (North-East Scotland) (Con)  
\*Allan Wilson (Cunninghame North) (Lab)

\*attended

#### WITNESSES:

Ms Katrin Budde (Business and European Affairs Committee of Saxony-Anhalt)  
Mr Tilman Tögel (Business and European Affairs Committee of Saxony-Anhalt)  
Mr Detlef Gürth (Business and European Affairs Committee of Saxony-Anhalt)  
Mr Wolfgang Süß (Business and European Affairs Committee of Saxony-Anhalt)

#### COMMITTEE CLERK:

Stephen Imrie

#### SENIOR ASSISTANT CLERK:

Eugene Windsor

#### ASSISTANT CLERK:

David Simpson



## Scottish Parliament

### European Committee

*Tuesday 9 November 1999*

*(Afternoon)*

[THE CONVENER *opened the meeting at 14:06*]

**The Convener (Hugh Henry):** I welcome everyone to this meeting of the European Committee.

This afternoon, a delegation from Sachsen-Anhalt in Germany will attend our meeting. As we expect them to appear at about 2.45 pm, we will try to get through procedural matters first. There will be simultaneous interpretation for that item.

I believe that a delegation from Fife Council is also present.

**Ms Margo MacDonald (Lothians) (SNP):** Is there simultaneous interpretation for the members of that delegation?

**The Convener:** No. Please take a careful note of who said that for future reference.

I also welcome Hanno von Graevenitz, the consul-general for Germany in Edinburgh.

### European Documents

**The Convener:** The first item on the agenda is scrutiny of European documents. I should remind the committee that our test is whether the document contains provision for legislation and whether that legislation has significant impact on Scotland. Any other matters are secondary. We need to be selective in what we examine.

At our next meeting, we will have the services of Christine Boch, an EC legal affairs specialist who has recently joined the Parliament's legal office and who will assist us in technical and legal matters from here on in.

The recommendation on document 295 (EC Ref No 10499/99, COM(99)372 final) is for no further action. That is agreed.

**The Convener:** The recommendation on document 317 (EC Ref No 10541/99, COM(99)352 final 99/0152 (COD)) is that the document should be referred to the Justice and Home Affairs Committee. That is agreed.

**The Convener:** The recommendation for document 337 (EC Ref No 10672/99) is for no further action.

**Bruce Crawford (Mid Scotland and Fife)**

**(SNP):** Convener, although I agree with the recommendation, I think that some more information might be useful. This is the annual report on the European Investment Fund. The second sentence of the second paragraph of the Treasury explanatory memorandum on document 337 says that since 1996, the fund

"has also provided equity support for SMEs through participation in venture capital funds."

How much of that support is finding its way into Scotland? Do small to medium enterprises in Scotland know about the fund? Is anything being done to broadcast the information? I am not sure that this is an issue for this committee.

**The Convener:** I think that you have a fair point. I am not sure whether we should draw it to the attention of the Enterprise and Lifelong Learning Committee or of Scottish Enterprise, which could circulate the information through its network. I am sure that that organisation is already aware of the information.

**Dr Winnie Ewing (Highlands and Islands) (SNP):** I think that I have raised this point already. A scheme existed for a while, but it did not apply to Scotland because none of the Scottish banks were willing to do the work. After the fuss that many people made, the Scottish banks, one by one, entered the scheme. It was not a direct grant. Under it, loans are agreed on much more favourable terms than would be the case if they were undertaken by banks under normal risk rules. The banks were covered by the European Investment Bank if they lent under the scheme.

My understanding is that, for some reason, the Scottish banks stopped doing that. We should ask the EIB if the scheme is still being operated in Scotland.

**The Convener:** That is not the issue that is before us. We are considering a specific item on the Commission report. If there is a wider issue, we should refer it to the Enterprise and Lifelong Learning Committee, to ensure that small and medium enterprises in Scotland get the benefit of the available funding.

**Dr Ewing:** Presumably the investment fund report would show that.

**The Convener:** We can refer that to the Enterprise and Lifelong Learning Committee for its interest.

**Ben Wallace (North-East Scotland) (Con):** On a point of order. Many colleagues and people from the European Parliament look at the *Official Report* of our meetings. I have received some representations from MEPs—of other parties as well—who point out that we use only Scottish Parliament reference numbers. If we could put the Commission document number in the *Official*

*Report*, they would know what we are talking about.

**The Convener:** That point has already been raised. We have addressed it.

**Stephen Imrie (Committee Clerk):** I can advise you, Ben, that the minutes and the *Official Report* of our previous meeting now incorporate the EC and COM numbers. We are not doing that for this meeting, otherwise the convener would have to read out a lot of numbers, but we ensure that they are inserted after the meeting so that MEPs and other observers are aware of what documents we are talking about.

**The Convener:** For document 340 (EC Ref No 10704/99, SEC(99)66 final), we are advised to take no further action. That is agreed.

**Dr Ewing:** It also says that we are awaiting "a short briefing note".

**The Convener:** For document 341 (EC Ref No 10705/99, COM(99)367 final), we are advised to take no further action. That is agreed.

For document 346 (EC Ref No 10736/99, COM(99)388 final), we are advised to await the Scottish cover note. That is agreed.

For document 349 (EC Ref No 10251/99, SEC(99)1213 final), we are advised to await an explanatory memorandum. That is agreed.

For document 350 (EC Ref No 10742/99, COM(99)348 final), we are advised to await an explanatory memorandum. That is agreed.

For document 374 (EC Ref No 10302/99), we are advised to take no further action. That is agreed.

For document 375 (EC Ref No 10773/99), we are advised to take no further action. That is agreed.

For document 376 (EC Ref No 11024/99, COM(99)368 final), we are advised to request the Scottish cover note.

**Ms MacDonald:** Are the provisions for the control of blue tongue or blue nose, convener? Can I have clarification on that? I was worried.

**The Convener:** It is blue tongue, Margo. We have enough problems without introducing other parts of the anatomy.

**Allan Wilson (Cunninghame North) (Lab):** Has there been an outbreak of blue nose?

**The Convener:** The recommendation for document 376 is agreed.

For document 377 (EC Ref No 11025/99, COM(99)437 final), we are advised to request the Scottish cover note.

**Tavish Scott (Shetland) (LD):** I want to ask a question about the timing of the regulation, which is a limited but important reform. We should know whether our recommendation for action will delay the implementation of the regulation. It was requested by the salmon farming industry. Document 377 already dates back to July, so there is considerable need to push on with it. I hope that that will happen.

**The Convener:** We could possibly take that at our next meeting, and get representatives of the Rural Affairs Committee to attend.

**Tavish Scott:** I would be grateful.

**Bruce Crawford:** In one paragraph, the paper involved mentions the need for the introduction of vaccine in salmon fishing. I do not know whether the vaccine contains antibiotics, but we have all heard about the difficulties of introducing antibiotics to livestock and the impact of that on the food chain and on humans. It would perhaps be worth putting this matter to the Health and Community Care Committee, so that it can examine the issue of vaccines and their impact on the food chain.

**The Convener:** The issue would be one of timing. If we need to have an early view, someone from health should be invited to the next meeting. I do not know whether it will be possible for there to be longer consideration elsewhere after the relevant date.

**Tavish Scott:** This issue has been discussed with the industry over the past six months or so. The issues that Bruce Crawford raised are in the public domain. Infectious salmon anaemia is a viral infection, and there is no concern whatever about it in a human context. I hope that this is a technical measure that can be taken forward at speed. There are no wider implications.

**The Convener:** We can ask the Scottish Executive to comment on that in its cover note.

14:15

**Ms MacDonald:** I appreciate that this is a technical measure, and I do not want to take up the time of the committee when we have guests coming later. Do we have time to work out whether this committee has any role to play in ensuring that the correct information about what is happening to our fishing industry permeates throughout Europe? It could be argued that that would be one lesson we might learn from the whole beef business. I do not want to open up discussions, but want to put on record that I would like to talk about that at some point.

We have links into different European structures and committees and so on. It might be wise to consider how we might use them.

**The Convener:** I cannot answer that off the top of my head. I will ask the committee clerk to note that and I will respond once I have thought about it.

**Dr Sylvia Jackson (Stirling) (Lab):** I want to support Margo MacDonald. I am sure that as we go through these documents, we will come across items on which we need to be proactive. We maybe need some time to reflect on matters such as the venture issue that you mentioned earlier.

**The Convener:** The recommendation for document 377 (EC Ref No 11025/99, COM(99)437 final) is agreed. It is suggested that someone from rural affairs be invited to the next meeting and that the Scottish Executive be asked to address Bruce Crawford's specific question in its cover note.

For document 378 (EC Ref No 11029/99, COM(99) 439 final), we are advised to take no further action. That is agreed.

For document 379 (EC Ref No 11065/99, COM(99) 431 final), we are advised to take no further action. That is agreed.

For document 380 (EC Ref No 11066/99, COM(99) 415 final), we are advised to take no further action. That is agreed.

For document 381 (EC Ref No 11067/99, COM(99) 416 final), we are advised to take no further action. That is agreed.

For document 382 (EC Ref No 11068/99, COM(99) 417 final), we are advised to take no further action. That is agreed.

For document 383 (EC Ref No 11069/99, COM(99) 418 final), we are advised to take no further action. That is agreed.

For document 384 (EC Ref No 11070/99, COM(99) 419 final), we are advised to take no further action. That is agreed.

For document 385 (EC Ref No 11071/99, COM(99) 420 final), we are advised to take no further action. That is agreed.

For document 386 (EC Ref No 11072/99, COM(99) 421 final), we are advised to take no further action. That is agreed.

For document 387 (EC Ref No 11073/99, COM(99) 422 final), we are advised to take no further action. That is agreed.

For document 388 (EC Ref No 11074/99, COM(99) 423 final), we are advised to take no further action. That is agreed.

For document 389 (EC Ref No 11075/99, COM(99) 424 final), we are advised to take no further action. That is agreed.

For document 390 (EC Ref No 11103/99, COM(99) 449 final), we are advised to take no further action. That is agreed.

For document 391 (EC Ref No 11145/99, COM(99) 410 final), we are advised to take no further action, but to send a copy to the Transport and the Environment Committee for its interest. That is agreed.

For document 392, we are advised to take no further action, but to send a copy to the Justice and Home Affairs Committee for its interest. That is agreed.

For document 393 (EC Ref No 9928/99), we are advised to await the explanatory memorandum. That is agreed.

For document 394 (EC Ref No 10897/99), we are advised to take no further action. That is agreed.

For document 395 (EC Ref No 10992/99, COM(99) 441 final), we are advised to take no further action, but to send a copy to the Enterprise and Lifelong Learning Committee. That is agreed.

For document 396 (EC Ref No 10993/99, SEC(99) 1386 final), we are advised to take no further action, but to send a copy to the Enterprise and Lifelong Learning Committee. That is agreed.

We need to make a decision on document 397 (EC Ref No 10995/99, COM(99) 440 final).

**Stephen Imrie:** Advice on the document has been left as,

"To be decided on 9<sup>th</sup> November"

because since the sift meeting we have been trying to find out whether a decision on which experts will sit on the employment committee will be taken at the Council meeting on 12 November. It was suggested that members of this committee might want to make recommendations on who the UK members of the employment committee should be. I am advised that nominations will not be discussed at the meeting on 12 November.

**The Convener:** Is there a time scale?

**Stephen Imrie:** The time scale for nominations is likely to be between now and Christmas.

**The Convener:** We will make a note of that for the moment. There is nothing more that we can do unless we have a specific recommendation to make.

For document 398 (11020/99, COM(99)444 final), we are advised to take no further action. That is agreed.

For document 399 (11146/99, COM(99)448 final), we are advised to take no further action. That is agreed.

For document 400 (11204/99, COM(99)443 final 99/0194 (COD)), we are advised to take no further action. That is agreed.

For document 401 (10909/99), we are advised to take no further action. That is agreed.

For document 402 (10925/99), we are advised to take no further action. That is agreed.

For document 403 (10926/99), we are advised to take no further action. That is agreed.

For document 404 (10927/99), we are advised to take no further action. That is agreed.

For document 405 (10994/99, COM(99)445 final), we are advised to take no further action, but we will send a copy to the Enterprise and Lifelong Learning Committee. That is agreed.

For document 406 (11022/99), we are advised to take no further action.

**Bruce Crawford:** I have a question on the banana disputes and their impact on the textile industry. Should not we ensure that the impact does not continue elsewhere and ask the Enterprise and Lifelong Learning Committee to have another look at the matter?

**The Convener:** If we think that there could be consequences, we can do that. I do not know whether that is the case.

**Bruce Crawford:** I do not know either.

**The Convener:** We can send the document to the Enterprise and Lifelong Learning Committee for its information and ask the Scottish Executive to provide further detail to that committee for it to consider.

**Dr Ewing:** I do not agree with the position that has been adopted with regard to the World Trade Organisation. The Lomé convention, which gave privileged access for the third world countries' bananas, applies to only 8 per cent of the total amount of bananas consumed in Europe. The rest come from the multinationals that prop up the two parties in the United States. The Lomé convention predates the WTO. It does not seem right that an internationally agreed global trading arrangement should be criticised and attacked by a subsequent international body—WTO. It was the WTO's interference in our arrangements on bananas that caused the United States to retaliate—quite unjustifiably, in my opinion—against cashmere and biscuits from Scotland and various other things in other parts of Europe, for example French handbags and perfume. If the situation arises again and the WTO hits back, will it happen all over again? That is my concern, because I believe that what happened was illegal.

**The Convener:** That is not the matter that is before us. That is a totally extraneous issue. We

are being asked to comment on a specific report. While you may, Dr Ewing, have genuine concerns about the wider issues, the question today is whether to take further action on the specific report. If you want to propose that we take different action on the report, by all means do so.

**Dr Ewing:** I propose that we find out whether I am right or wrong by asking an expert about the WTO's position, so that what happened cannot happen again. There is a settlement—possibly—but we do not know for how long it will last. We have no details about that.

**Bruce Crawford:** It would be useful to get from the Scottish Executive something that explains the wider ramifications of the dispute, in case there are areas of the Scottish economy, as Winnie mentioned, that need to be considered. Having an explanatory note and the paper will raise our awareness of the issue and enable us to discuss it.

**The Convener:** The issue that you and Winnie are addressing, Bruce, is of more concern to the Enterprise and Lifelong Learning Committee than to the European Committee. If members of that committee want to pursue the matter, that is up to them. We can refer the matter to them for their consideration.

We can ask the Executive to provide more detailed information and to address the specific question that has been raised, but we have already suggested that the document should be referred—with that Executive information—to the Enterprise and Lifelong Learning Committee. If there is any concern about the impact on the Scottish economy, that committee should consider the matter.

**Bruce Crawford:** I would like to see a copy of the memorandum, so that we can at least be broadly aware of what is going on.

**The Convener:** We can circulate that as well. Do members agree that we should send the document to the Enterprise and Lifelong Learning Committee for information, with the further caveats that have been discussed?

**Ms MacDonald:** We should not just send the document to the Enterprise and Lifelong Learning Committee, but draw its attention to the fact that a previous WTO ruling had a direct relevance for Scottish industry. Our concern is that the WTO should not be able to pick us off in that way under any new arrangements.

**The Convener:** I do not agree. In this document, we have been asked to do something very specific. If we did as you suggest, we would be led into a wider debate that involves subjective opinions. That debate is not relevant today; if we want to have that debate here, it would be a



separate matter. We have been asked whether we want to process the document further or to take no further action. What Margo is saying differs from the recommendation.

**Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab):** Much as I, too, might have reservations in relation to the WTO, I do not think that this committee ought to deal with that issue. I am sure that there will be other opportunities in the Parliament for people to make comments on the matter.

We have a recommendation that this document should go to the Enterprise and Lifelong Learning Committee so that it can comment on the economic situation. That is the correct course of action, notwithstanding the issues that should be debated elsewhere.

**Allan Wilson:** I support that. The document should be referred to the Enterprise and Lifelong Learning Committee, with the proviso that the attached advice—that the UK Parliament supports, and the Scottish Parliament should support, a Commission proposition for a quota-based solution to the problem—is correct. The dispute had a damaging impact on a number of industries and companies, some within my constituency, and it is appropriate that the matter be looked at in that context by the Enterprise and Lifelong Learning Committee to ensure that no further damage arises from the proposed quota-based solution.

**The Convener:** We recommend, therefore, that the document be referred to the Enterprise and Lifelong Learning Committee and that we ask for further information from the Scottish Executive to assist that committee with its deliberations. In addition, Bruce has asked that the memorandum be circulated to members of this committee. Is that agreed?

**Members indicated agreement.**

**The Convener:** For document 407 (EC Ref No 11060/99, COM(99)384 final 99/0162 (CNS)), we are advised to take no further action. That is agreed.

For document 408 (EC Ref No 11144/99, COM(99)337 final COD 99/0152), we are advised to take no further action. That is agreed.

For document 409 (EC Ref No 11155/99, COM(99)450 final), we are advised to take no further action. That is agreed.

For document 410 (EC Ref No 11260/99, COM(99)432 final), we are advised to take no further action. That is agreed.

For document 411 (EC Ref No 11084/99, COPEN 37), we are advised to consider the matter at the next meeting. That is agreed.

For document 412 (EC Ref No 11570/99,

COPEN 42), we are advised to consider the matter at the next meeting. That is agreed.

For document 413 (EC Ref No 11571/99, COPEN 43), we are advised to consider the matter at the next meeting. That is agreed.

For document 414 (EC Ref No 11603/99, COPEN 44), we are advised to consider the matter at the next meeting. That is agreed.

For document 437 (EC Ref No 12010/99, COPEN 47 COMIX 344), we are advised to consider the matter at the next meeting. That is agreed.

For document 415, we are advised to take no further action, but copy to the Justice and Home Affairs Committee. That is agreed.

For document 416 (EC Ref No 11203/99, SEC(99)1470), we are advised to take no further action. That is agreed.

For document 417 (EC Ref No 11492/99, COM(99)425 final), we are advised to await the explanatory memorandum and make the Enterprise and Lifelong Learning Committee aware of the issue. That is agreed.

For document 418 (EC Ref No 11523/99), we are advised to take no further action. That is agreed.

For document 419 (EC Ref No 11217/99, COM(99)438 final), we are advised to take no further action. That is agreed.

For document 420 (EC Ref No 10608/99, PESC 257 COWEB 101), we are advised to take no further action. That is agreed.

For document 421 (EC Ref No 11552/99, SEC(99)1555), we are advised to take no further action but to copy the document to the Enterprise and Lifelong Learning Committee. That is agreed.

For document 422 (EC Ref No 11156/99, SEC(99)1302 final), we are advised to await the explanatory memorandum. That is agreed.

For document 423 (EC Ref No 11326/99, PESC 305 COWEB 118), we are advised to take no further action. That is agreed.

14:30

For document 424 (EC Ref No 11780/99, DROIEN 14) we are advised to take no further action. That is agreed.

For document 425 (EC Ref No SEC(99)) we are advised to take no further action. That is agreed.

For document 426 (EC Ref No 11583/99, COM(99)454 final) we are advised to take no further action. That is agreed.

For document 427 (EC Ref No 11707/99,

COM(99)457 final) we are advised to take no further action but to copy the document to the Enterprise and Lifelong Learning Committee. That is agreed.

For document 428 (EC Ref No 3710-07r6 Draft 3) we are advised to take no further action. That is agreed.

For document 429 (EC Ref No 11545/99, COM(99)459 final) we are advised to take no further action. That is agreed.

For document 430 (EC Ref No 11696/99, COM(99)459 final) we are advised to take no further action. That is agreed.

For document 431 (EC Ref No 11708/99, COM(99)453 final) we are advised to take no further action, but to copy the document to the Enterprise and Lifelong Learning Committee. That is agreed.

For document 432 (EC Ref No 11756/99, COM(99)461 final) we are advised to take no further action. That is agreed.

For document 433 (EC Ref No 11762/99, COM(99) 462 final) we are advised to take no further action. That is agreed.

For document 434 (EC Ref No 11788/99, COM(99)464 final) we are advised to take no further action, but to copy the document to the Enterprise and Lifelong Learning Committee. That is agreed.

For document 435 (EC Ref No 10767/99, COM(99)371 final) we are advised to take no further action but to copy the document to the Education, Culture and Sport Committee. That is agreed.

For document 436 (EC Ref No 11910/99, COM(99)466 final) we are advised to take no further action. That is agreed.

For document 438 (EC Ref No 11690/99, PESC 350 COWEB 130) we are advised to take no further action. That is agreed.

For document 439 (EC Ref No 11760/99, COM(99)469 final) we are advised to take no further action. That is agreed.

For document 440 (EC Ref No 11766/99, COM(99)473 final) we are advised to await the explanatory memorandum and to consider the document at the next meeting. That is agreed.

For document 441 (EC Ref No 11767/99, COM(99)472 final) we are advised to await the explanatory memorandum and to consider the document at the next meeting. That is agreed.

For document 442 (EC Ref No 11889/99, COM(99)470 final) we are advised to take no further action. That is agreed.

For document 443 (EC Ref No 11909/99, COM(99)455 final) we are advised to take no further action. That is agreed.

For document 444 (EC Ref No 11911/99, COM(99)460 final) we are advised to take no further action. That is agreed.

For document 445 (EC Ref No 11919/99, COM(99)474 final) we are advised to take no further action, but to copy the document to the Enterprise and Lifelong Learning Committee. That is agreed.

For document 446 (EC Ref No 10522/99, COM(99)406 final) we are advised to take no further action. That is agreed.

For document 447 (EC Ref No 10525/99, COM(99)429 final) we are advised to consider the matter at the next meeting. That is agreed.

**Tavish Scott:** The paper has been submitted by the Department of Trade and Industry. When the clerk gets the notes back, could we have the Scottish Executive's view on this paper as well?

**The Convener:** Is that agreed by the committee?

**Members indicated agreement.**

**Dr Ewing:** If the papers that we receive do not tell us the answers to our questions, what will be the state of play regarding anti-dumping action against Norway? Will we be told in the documents? This battle has been going on for about 20 years—it comes and it goes. Action is started and then it is withdrawn and settlements are promised. Perhaps when we get bits of paper, that question might be answered on them.

**The Convener:** For document 448 (EC Ref No 10733/99, COM(99)433 final) we are advised to take no further action. That is agreed.

For document 449 (EC Ref No 10737/99, COM(99)436 final) we are advised to take no further action. That is agreed.

The clerk will report back to us regarding documents 334 (EC Ref No 10609/99, COM(99)396 final) and 345 (EC Ref No 10486/99, COM(99)387 final) so that we have a summary view to send to the Executive and to Westminster.

**Stephen Imrie:** I would like to advise the committee regarding document 334, which deals with liability for defective products. We have taken a decision to refer this to the Enterprise and Lifelong Learning Committee for its views. I have received a summary of its views in the form of an e-mail from the committee clerk.

That committee wants to bring to this committee's attention an issue about the document in relation to Scots law. They want to

know whether future proposals on legislation that deals with liability for defective products will be consistent with Scots law.

It is for this committee to decide what it wants to do. The normal course of action is to compile the views of another committee with the views of this committee into a letter or report from the convener of this committee. That report would be given to the Scottish Executive and to the House of Commons European Scrutiny Committee.

**The Convener:** An issue has been raised by the Enterprise and Lifelong Learning Committee about Scots law and that committee would like us to incorporate its comments in our submission. Does the committee agree that that should be the case and that we should forward the comments to the Executive and to Westminster?

**Members indicated agreement.**

**Stephen Imrie:** On a similar procedural matter, document SP 345, which deals with boneless dried meat of bovine animals, was referred to the Rural Affairs Committee, which has met and considered it. The committee noted the document and decided that there were no matters of substance on which it wanted to report back to us.

**Bruce Crawford:** I was rather surprised when the document came back to us. I realise that there are no specialists here involved in gristling, but the raw materials are coming from Argentina, rather than from the EU. I do not know or understand what has been happening in the background, or whether there has been some sort of quid pro quo with Switzerland to permit this enhancement of its position. I am simply raising the issue. I do not know what to do about it, but I am concerned that Switzerland is getting special dispensation for a raw product—beef—that is being imported from Argentina, rather than from an EU country. Why is that happening? It beats me, and we may need to ask about it. I am not sure that it will stop us doing what we are doing, but I would like an answer to my question—although I realise that it is rather obscure.

**The Convener:** I suggest that we note the recommendation of no comment either to the Scottish Executive or to Westminster, but ask Stephen Imrie to try to get an answer from Brussels to Bruce's question.

**Bruce Crawford:** This may not be a matter for us, but the Rural Affairs Committee should be aware of what is intended here.

**David Mundell (South of Scotland) (Con):** What will be the format of any report that we might submit?

**Stephen Imrie:** Reports will normally take the form of an extended letter to the convener of the Westminster committee, which will be sent to

Westminster and the Scottish Executive and circulated to all members. They will contain some standard text, outlining which document is being considered and when, followed by some paragraphs compiled by the clerks and signed by the convener. When we have something more substantial to report, we will have to consider what is the appropriate format for that. It might not be a letter.

**David Mundell:** What will happen to the letter? Will it be tabled at a meeting of the Westminster committee? How will it subsequently be reported?

**Stephen Imrie:** As I understand it, after I have sent the letter to the clerk of the Westminster committee, they bring it to the attention of the chair. I do not know whether they formally table the document or whether they circulate it to all members of the Westminster committee. At the moment, I believe, it is brought to the attention only of the chair. However, I can find out more details about exactly what happens.

**David Mundell:** This is important, because if we provide submissions we need to know that they are being taken fully into account. It is not enough for it to be noted that there has been a letter from the Scottish Parliament. The content of our submission must be fully understood by everyone involved in the process.

**Stephen Imrie:** I will find out more about how the submission is received.

## Subordinate Legislation

**The Convener:** The next item on the agenda is a negative instrument, the Organic Aid (Scotland) Amendment Regulations 1999 (SSI 1999/107). An explanatory memorandum, which outlines the impact of the instrument, has been circulated. Members will recall that at a previous discussion we took the view that, in the main, the European Committee would note Scottish statutory instruments. In this case, the Rural Affairs Committee, which is the lead committee, has not yet reported on the SSI, so I suggest that for the moment we note the instrument and inform the Rural Affairs Committee of that, unless any members have specific comments to make.

Concern has been expressed in committees about the way in which SSIs are being dealt with; we were probably the first committee to make clear our dissatisfaction on that score. The whole matter has now been referred to the Procedures Committee.

**Ben Wallace:** Has this SSI already come into force?

**The Convener:** Yes.

**Stephen Imrie:** It is subject to annulment because it is a negative instrument.

**Bruce Crawford:** Is the organic aid fund part of the structural funds? If it is, do we have a role in examining its effectiveness?

**Ben Wallace:** It is doled out by the Ministry of Agriculture, Fisheries and Food.

**Bruce Crawford:** The question of whether it is a structural fund is important as we have a responsibility to ensure that structural funds are being applied properly. Wales has perhaps a 30 per cent coverage from the organic aid fund. If we have to identify the efficacy of the organic aid fund in Scotland, we will have to use the experience of others as a benchmark.

**Ben Wallace:** I am under the impression that it is a supplement to agriculture payments, as opposed to a structural fund.

**The Convener:** We can find that out. Do we agree to note the instrument?

**Members** *indicated agreement.*

## Forward Work Programme

**The Convener:** Stephen Imrie will bring us up to date on what has been happening with the consultation process. We seem to be getting a good response. Once all the responses are in, the committee will have to do a major piece of work.

**Stephen Imrie:** We expect to receive more than 50 responses to the consultation exercise from a wide range of organisations and individuals. We have received about 40 so far. The deadline has not been strictly enforced as we wanted to encourage people to send in responses. We will compile the responses into a summary document that will extract the key issues and will list everyone who has come back to us with evidence.

**The Convener:** A number of issues flow from this, some of which we will deal with later today.

We will have to consult many of the organisations that have submitted evidence, particularly Scottish local government through the Convention of Scottish Local Authorities. There is a request for representatives of COSLA to meet this committee. I suggest that we invite them to our next meeting, on 23 November. Is that agreed?

**Members** *indicated agreement.*

**The Convener:** It has been suggested—I will deal with this when I report on the meeting of the conveners group—that we should take the committee out of Edinburgh occasionally and also consider the use of rapporteurs on specific items.

Once the responses to the consultation have been collated, we will need to do two things. We will have to appoint rapporteurs to meet specific organisations and discuss specific topics so that the committee can start to discuss issues of policy. We will also have to use the responses to consider whom we need to meet outside Edinburgh. That will have to be done soon so that arrangements can be made before the end of this financial year. If the clerk can produce a paper summarising the evidence for the meeting on 23 November, we can start to discuss whom we should meet, where we should meet them and what the key issues are for the appointment of rapporteurs. Between that meeting and the first meeting in December, we can firm up the committee's programme for the first months of next year. Is that agreed?

14:45

**Ms Irene Oldfather (Cunninghame South) (Lab):** You have asked us in the past—and I apologise that I have not responded—to identify to you any areas related to rapporteurships in which we have a particular interest. Would it be appropriate to try to collate those by 23 November? An area that particularly interests me is the challenge and opportunity that enlargement presents for Scotland and how Scotland could face up to that challenge.

**The Convener:** I am not taking bids at this meeting. If anyone has a specific interest, they should notify the committee clerk and it will be considered, along with the responses from other organisations. You are right that enlargement, the euro, on which you have done some work, social economy issues and various justice issues that we have considered are major items for this committee. However, many organisations in Scotland will have particular interests. We need to consider where those interests coincide with our priorities. I hope that, in the next two meetings, we can firm up our agenda for the first few months of next year, identify whom we need to meet and where, and appoint rapporteurs on specific topics.

Our German guests have arrived. Can we allow the meeting to flow, as some people have to leave? I will deal quickly with items 5 and 6, and we will return to our guests.

## Convener's Report

**The Convener:** Will David give a report on the meeting with the foreign affairs adviser to the Dutch Prime Minister on 27 October?

**David Mundell:** The meeting went well, although I saw the thank you note and I did not make the same impact as Cathy. It was a useful meeting and, judging by the adviser's response,

he found it useful too. The meeting helped him to understand the extent to which we are still evolving and gave him a greater understanding of the UK's unwritten constitution. Matters are not the same here as they are in the Netherlands and other countries that are accustomed to a firmer concept of relationships—I am thinking of relationships such as those that exist between the Parliament and United Kingdom institutions, and therefore between ourselves and Europe. In the main, we conveyed to the adviser the evolving nature of the arrangements here in Scotland and he found that useful.

**The Convener:** Thank you, David. I will not ask about the comments to Cathy. We will leave that to her. Cathy, will you report on the contacts with the Spanish representatives?

**Cathy Jamieson:** Due to members having other commitments that afternoon, I was the only person able to meet the Spanish delegation. That was a bit unfortunate, as it meant that they were given a rather personal perspective on a number of matters, including the football, about which we had a long discussion. It was a useful meeting, as it highlighted the level of interest of the delegation in the relationship between the Scottish Parliament and Westminster, how that relationship is evolving, how we can look to the future to make links between the regional Parliaments in different areas and how those links might proceed.

**Dr Ewing:** My meeting with the two delegates from Valencia went on at some length. The deputy mayor of Valencia was in one of my groups. The delegates were very interested in Scotland and everything that we are doing here. Valencia had a war with Spain in 1707, when it lost its independence, and it seems to identify with Scotland because of the year 1707. I have been to Valencia and met the gentlemen before. They were fascinated by the evolving situation here.

**The Convener:** We have dealt with the request from the Convention of Scottish Local Authorities. The Scottish Executive has also requested that a member of the committee attend a function at Edinburgh castle on the evening of 17 November with a visiting member of the Dutch royal family. Is anyone available?

**Dr Ewing:** Western Isles Health Board is visiting that night.

**Ben Wallace:** I am available on 17 November.

**Bruce Crawford:** That is the night of the Scotland v England game.

**The Convener:** You are obviously not a football fan, Ben.

**Dr Ewing:** At what time will the function be, convener? I can speak Dutch.

**The Convener:** What time is your appointment, Winnie?

**Dr Ewing:** Sandy Matheson from Western Isles Health Board is coming at 6 o'clock that evening.

**The Convener:** Ben, would you be happy for Winnie to go to the function?

**Ben Wallace:** Yes.

**Dr Ewing:** My appointment with Western Isles Health Board comes first. It will be a question of timing. First things first.

**The Convener:** We will find out the time of the function. If Winnie is unavailable, Ben will try his utmost to be there.

**Ben Wallace:** I will try to get back from Hampden in time.

**Bruce Crawford:** The game is at Wembley, which will make that more difficult.

**The Convener:** Ben Wallace will be at Hampden while everyone else is at Wembley. I will not comment on politicians being out of touch with the wider electorate.

A delegation of Swedish MPs will be visiting on the evening of 16 November. George Reid will host a reception. Who is available to attend? Sylvia Jackson, Margo MacDonald, Allan Wilson, Ben Wallace, Winnie Ewing and Maureen Macmillan are available. Winnie, do you speak Swedish as well?

**Dr Ewing:** No.

**The Convener:** You can speak Dutch to them and get some practice in for the next night.

Anyone else who is interested should contact the clerk.

**David Mundell:** I cannot attend the function, as I am going to Prague next week on other business. However, I have indicated to the clerk that if there is anything useful that I can do while I am there, I will be happy to do it.

**The Convener:** I am sure that that will be noted.

We have received a letter from Highlands and Islands Enterprise to which I have drafted a reply. The letter follows up our discussion of the draft plan for the area. Are members happy with the draft reply and agreed that it should be sent?

**Members indicated agreement.**

**The Convener:** I have already touched on one aspect of the recent meeting of the conveners committee. We also discussed research facilities for committees. There is a feeling among conveners that the committees need more resources to enable them to do their work adequately. A contrast has been made with the

support that the Executive receives. The Scottish Parliamentary Corporate Body will consider the matter and I will report back once I have details.

We have already touched on the issue of travel. We hope to firm up our intentions for the next few months at the next two meetings.

A specific sum of money has been allocated to the civic forum to develop partnerships between wider Scotland and the Parliament. It would be useful to have a report at a future meeting on what the European Committee can gain from working in partnership with others.

The final item is a rather bizarre one. As convener of this committee, I was asked to participate in a question and answer session at the East of Scotland European Consortium conference. Four members of the committee were also invited to attend the conference and we had identified our nominees.

Since the Standards Committee's recent inquiry, advice has been given to all committees on hospitality and advocacy. We are advised that any committee members who attend events as members of the Scottish Parliament and receive cups of tea, for example, will have to pay for them. If they do not, they will have to declare them. Members will not be able to accept lunches. We cannot accept the invitation for me to participate in the conference on behalf of this committee, and members cannot participate on behalf of ESEC. No budget is available for sending anyone from this committee who wishes to go; anyone who wishes to go will have to pay for it themselves.

In the circumstances, I think that we should politely decline until the matter is resolved. I know that the issue has come up in other committees. It is getting to the farcical stage that we will not be able to meet outside bodies in any way, shape or form. I think that the rigid rule is starting to bring the parliamentary process into disrepute. Far from protecting us and the wider public from excesses, it has reached the other extreme. I regret having to say that we should decline the invitation, but unless anyone wishes to pay for this and other events themselves, we have been advised that we cannot participate.

**Stephen Imrie:** I have been trying to take up the issue on behalf of the committee with the Parliament's legal office and other members of parliamentary staff. As the convener has said, any of you may attend the conference. If you do so and your fees are waived, the potential issue of paid advocacy arises. You can either reimburse the organisers and carry on as normal, or if you do not reimburse them and the fees are still waived, you will have to register that as a new interest and declare it. That would curtail to an extent what you may talk about during proceedings of the

Parliament.

That is the current advice. I know that other committees are addressing this matter. Staff of the Parliament are aware of it, and it is being treated as a matter of urgency and priority, because it impacts on the ability of members to carry out their business.

**Ms Oldfather:** I am absolutely in favour of transparency and accountability, as are, I am sure, all members of the committee. However, it seems that the ruling impedes people's ability to do their job properly and to participate fully in the committee's work and in constructive engagement with others involved in European matters in Scotland. I trust, convener, that you will take that view forward to the conveners liaison group and pursue it until we get a better resolution that would allow us to undertake this type of engagement. We should involve ourselves with groups of people who are interested in Europe.

**Ben Wallace:** I am well aware of this matter. What is required is for the Executive to change the Scotland Act 1998 and the Scottish statutory instrument pertaining to members' interests. The difference between ourselves and Westminster is that we are subject to the Scotland Act 1998 and can be held against it, whereas Westminster is a court and cannot be challenged on its procedures. I agree that it is ridiculous. If the conveners make a representation to the Executive, the Executive can simply amend that legislation, which can be undone. I am advised that that is how we must proceed.

**Bruce Crawford:** I understand what Ben is saying, and he is right about where the problem emanates from. However, there is also an issue of interpretation. We need to consider what remit people from the legal fraternity are given when they are asked to provide an interpretation. Surely we can have a rational look at this in the Standards Committee and arrive at an interpretation that is rather more flexible. I, for one, have been offered a cup of tea, and I am going to take it. I will be interested to see what people do about that.

**Ms MacDonald:** We can buy a corporate flask.

15:00

**The Convener:** The advice is for your own protection. Members can go to the conference and pay their own way. However, if they attend at the request of ESEC, the advice is that they will have to declare that and that it could affect them if they wish to speak on any issues pertaining to ESEC, which could include structural funds and other such matters. That could be very significant for members who represent areas covered by ESEC.

**Cathy Jamieson:** As has already been said, we have descended into a farcical situation. I am concerned that this problem is being reported through this committee, as in my day-to-day work as a member of the Scottish Parliament representing my constituents I am invited to attend conferences. Last week, I spoke at a young carers conference. Are we now saying that, because I had lunch there, I am not allowed to speak on carers issues in the Parliament? That would be nonsensical. I have received nothing in writing from anyone connected with the Parliament to clarify this issue. As a matter of urgency, we should say that, if a ruling has been made, we need to see it in black and white. I want to see it before Thursday this week, when I am due to attend another conference on behalf of the British Cooperative Movement.

**The Convener:** The suggestion that we ask for written advice is a good one. I will also take the matter back to the conveners group. However, we need to decide what to do about the ESEC conference. As things stand at the moment, those members who have been nominated to attend must either pay their own way or, if they go at the request of ESEC, declare that, which could have implications for their future participation in related debates. We should write back to ESEC saying that we have some difficulties and that everything depends on whether individual members can resolve those. However, my feeling is that we should decline the invitation.

**Ms MacDonald:** Everyone else has rehearsed the arguments, and I am sure that we are of one mind on this. We would make ourselves look absolutely stupid as a Parliament if we wrote to the folk at ESEC to say, "We are awfully sorry that we can't come, but if we close our ears and do not listen to the bits that we might be interested in, would that be all right?" Can we ask for a ruling on this as a matter of urgency, using this conference as the prototype? It is important that we attend.

**Stephen Imrie:** The problem, if it is a problem, has arisen because of the Scotland Act 1998 and the Scotland Act 1998 (Transitory and Transitional Provisions) (Members' Interests) Order 1999. It might be difficult to change the order in time for this conference. We have raised the matter on the committee's behalf with the Standards Committee, which is examining the code of conduct and so on. However, the nub of the problem is the interpretation of the order.

**Ms MacDonald:** With respect, could we not have some sort of interregnum until this is sorted out? We cannot sort it out completely ourselves if it is part and parcel of the Scotland Act 1998.

**The Convener:** No, because nobody has the authority to overrule legislation that is still in place.

**Bruce Crawford:** I have already attended an ESEC event, at which I was given food and listened very carefully to what was said. The same applies to a number of members of the committee. We are getting on to some of the more bizarre elements of this. However, I am sure that the four members who attend the conference will be invited along as delegates representing Parliament. How about them attending purely as observers, with no fee attached? Would that not overcome the difficulties?

**The Convener:** There is still an issue to address. I will ask Stephen to find out what the options are. In the meantime, we will tell ESEC that there is a potential problem and advise the individual members concerned, who will need to make their own final decision.

**Ms Oldfather:** For my own clarification, is this simply a matter of interpreting the legislation or is the problem with the legislation itself? It is important for the committee to understand the issue.

**The Convener:** The legislation is quite clear on this matter. However, we will raise the matter with the conveners group and Stephen will bring it to the attention of the Procedures Committee and the Standards Committee. This strict ruling will affect much more than this particular conference.

**David Mundell:** We should point out that the conference is an important event. A short-term solution might be for Stephen or some other parliamentary official to attend as an observer to show that the committee is at least interested in the event. We do not want the organisers to think that we are not attending because we do not want to.

**The Convener:** ESEC is aware of the problems. We will await further information.

I will suspend the proceedings for a couple of minutes to allow our German guests to join us.

15:06

*Meeting suspended.*

15:09

*On resuming—*

**The Convener:** Stephen, can you give us some advice about the technical aspects of the simultaneous interpretation?

**Stephen Imrie:** I have in front of me a note about how to use the translation equipment—simply plug in the headphones and press the start button, which is the green button on the front of the apparatus. English speakers should select channel 2 and German speakers should select

channel 3. Members of the committee should indicate any problems to me and I will try to resolve them as we go along.

**The Convener:** Thank you, Stephen.

## Visiting Delegation

**The Convener:** On behalf of the European Committee of the Scottish Parliament, I welcome our German guests. This is the committee's first opportunity to meet formally delegates from other European organisations. Outside the Parliament, we have met informally a number of representatives from Holland, Germany, Sweden and Spain. However, today is the first chance that we have had to share our experiences formally and we hope that this will be the first of many visits from the regions of Europe. We believe that we have much to learn from the way in which you, our guests, have operated over recent years. We hope that, because we are a new Parliament, we may be able to bring some fresh thinking to the way in which the regions of Europe operate. We are delighted to hear from you today.

We are aware that today is a significant date for you, as it is the 10<sup>th</sup> anniversary of the fall of the Berlin wall, which brought many significant changes to your part of Germany. German integration, which followed that, had many problems and doubtless you have had to wrestle with many of the economic and social difficulties that integration brought. However, integration also brought many major political changes to Europe. We hope that, as a new Parliament, we can learn from you and from your region, which has recently become part of the European Union through integration. We will take it from there.

I invite each of our guests to make a short contribution, following which there will be comments and questions from committee members. Given that my knowledge of German is non-existent and that my accent is bad, perhaps you could introduce yourselves, so that I do not offend anyone by mispronouncing their name. Welcome.

**Ms Katrin Budde (Business and European Affairs Committee):** Thank you. I can give an introduction in English, but it will be better if I speak German and use the translator for the detail of our presentation.

Thank you for inviting this delegation of members of the Saxony-Anhalt Parliament, who are also members of the economics, technology and European affairs committee—the three issues are put together. My colleagues are Herr Süß, who is the PDS's economics spokesman, Herr Gürth, who is the economics spokesman for the CDU—the equivalent of the Conservative party—and

Herr Tögel, who is the SPD's European affairs spokesman. He is also a member of the European Union's Committee of the Regions. I am Katrin Budde. I am the SPD's economics spokeswoman and the committee's chairwoman.

The convener is right—today, 9 November, is an important day for us, as 10 years have passed since the fall of the Berlin wall.

Perhaps we can tell you something about our new Parliament, which is a little different from those of the other, old German provinces. Our Parliament is exactly nine years old. For 40 years before that, there was no Parliament in Saxony-Anhalt. I know that is not the same as the 200 years that Scotland waited.

*The speaker continued in German. Following is the simultaneous interpretation:*

Perhaps you will allow me to continue in German. All of us have been members of Parliament since 1990. When we started our parliamentary work, we had to reorganise. We notice that you deal with European matters on a fortnightly pattern—perhaps that is due to the newness of the Scottish Parliament. After 10 years in Germany, we do not have a European committee, but that does not mean that we do not accord European matters the same importance and of course we have to see where we can learn from each other. We emphasise that we are happy to exchange views with you on European matters, because we feel that our countries have many similarities.

15:15

Scotland has areas that receive objective 2 and objective 1 funding from the European Union. Sachsen-Anhalt is still an objective 1 area. However, for Scotland and the new regions, this might be the last period in which we will benefit from the structural funds. We may see a few differences when we compare the period 2000 to 2006 with the first period.

You asked us what you could learn as a Parliament. We will be able to talk about that in our question and answer session. As a committee and as a Parliament, we have been looking into European co-operation and the content of the structural funds. We will have an opportunity to discuss those topics.

The European Union and the European Parliament are also important for us. Increasingly, we are seeing the legislators of the European Union countries included in the process of European unification and co-operation. We would like to play our part in that. We are interested in the co-operation of committees that deal with European matters.



Our Parliaments are elected in similar manners. We have directly elected members and members who come from a regional list. I think that our legislatures have similar structures.

I think that that is enough for my introduction. Later on, we can have a more detailed discussion, and the opportunity to talk about working together on a more permanent basis.

**Mr Tilman Tögel (SPD):** (*simultaneous interpretation*) I would like to mention one particular aspect of the work of our Parliament. The Maastricht and Amsterdam treaties led to regional area administrations such as our regional Parliament. We got the opportunity to take part in European Union decisions.

The Committee of the Regions has been a fixed institution since 1994. A lot of work has still to be done—and perhaps it will require a similar length of time for it to get the same powers as other institutions—but I think that the Committee of the Regions is already able to look after the interests of the region. It is also able to work on behalf of European regions to gain influence for them.

I have asked my colleagues in other committees such as this one to make these meetings possible so that we can learn from each other. I have noticed that our Parliament has much more opportunity to get information direct from Brussels because I am a member of the Committee of the Regions.

I want to ensure that we participate in the work of the Committee of the Regions in the future. That may also be important for the Scottish Parliament, as I know that Scotland is part of the Committee of the Regions, although I am sure that I do not need to take coals to Newcastle. I believe that it is important to give the legislature the opportunity to participate. Within Germany's federal structure, our Parliament can discuss European matters in the Bundesrat, but only in a fringe capacity. Nevertheless, it is important for our Parliaments to use those opportunities.

Other regions profit from contact with the Committee of the Regions through cross-regional partnerships, networking and so on. That also brings opportunities for economic development, which is an important issue for us. Our region has immense structural and economic problems. After the fall of the wall, change occurred at an unprecedented pace in all industrial sectors—mining, the petrochemical industry and so on. Those changes led to large-scale unemployment. That is why we are interested in making regional contacts.

Parliaments must take an interest in the work of the European Parliament, as it may be a stepping stone to supporting and maintaining economic contacts. I hope that the Scottish Parliament will

support us in that. I know that a number of the Scottish Parliament's members are members of the Committee of the Regions. After 2002, things will be different. However, I hope that we will still be able to co-operate.

**The Convener:** Thank you.

**Mr Wolfgang Süß (PDS):** (*simultaneous interpretation*) I want to outline my opinion on a particular problem. Yesterday, we examined the problem of European structural funds for the period to 2006. In our country, the operational programmes that we have have come to an end. We have fixed the areas for funding, which must now be confirmed by Brussels.

I was particularly interested in the talk on European partnerships in Glasgow yesterday. We heard how the distribution of European funds in Scotland has undergone a grass-roots development over the past 10 years.

According to what we were told yesterday, a number of local bodies can decide on the distribution of those funds. We hear from Scotland that you have four such agencies. As parliamentarians and members of the Government, you may want to find ways of developing that further. It may prove a good basis for obtaining a broad acceptance of the system and may allow many people to participate. We are trying a similar approach and are interested in how you have been dealing with this so far. Perhaps we will get a number of approaches that are suitable for us. It would also be interesting to hear how this can be improved, to ensure a just and efficient distribution of funds.

**The Convener:** Thank you.

**Mr Detlef Gürth (CDU):** (*simultaneous interpretation*) When I arrived this morning, I was reminded of when our Parliament first met, nine years ago. Our first session was held in a barracks and was very improvised. I thought back to those days and remembered that the first years, before all the administration was in place, were the most exciting and beautiful period. We could do as much as we wanted and put into practice everything that we wanted. Those days may never return. I hope that you will have a similar experience.

When a new parliament is created, it is important that people realise what it is doing for them. In villages, towns and cities, people must be able to appreciate that the Parliament is doing something for them. The same applies to the European Union. In Saxony-Anhalt and Scotland, it is our task to tell people what the European Union gives us, what the funds are used for in our countries and what can be achieved.

A number of useful programmes are in place. I

would like to discuss the possibility of setting up joint programmes between Scotland and Saxony-Anhalt to inform people, as that is much more difficult to achieve alone. It will also be important to compare experiences of European programmes and of the Parliaments and to exchange information. I am sure that we can both learn from our experiences, to our mutual benefit.

**The Convener:** Thank you. You make some very interesting points. Your point about how structural and other European funds have been used in Scotland is well made, as Scotland has a reputation for using structural funds efficiently. I hope that that experience will be of benefit to other regions in Europe.

I now invite members of the committee to ask questions. I ask members to identify themselves and to say whom they represent, for the benefit of our guests.

**Dr Ewing:** I am the president of one of the parties that sits in this Parliament—the Scottish National party, which is the official Opposition. Because I am the oldest member, I have the title of the mother. That is quite nice, because it means that I get invited to all sorts of events. I was also the mother of the European Parliament, of which I was a member for 24 years.

I have a few short questions. You say in your paper that the Länder can establish their own representations in Brussels. Are those representations limited to the Commission, or do they have access in any form to the council?

You also say that a Land could take a different line from the rest if it had a special interest in doing so and you give the example of North Rhine-Westphalia. One of you mentioned that you sit on the Committee of the Regions. Is that correct? In your part of the world, are those members appointed or elected? How many members are you entitled to?

**Mr Tögel:** (*simultaneous interpretation*) I will answer the first question on our liaison office in Brussels. It is an information office. Unlike the federal Government, we do not have any executive rights. As far as I know, there are informal channels, but we do not have the opportunity to sit on the council.

15:30

We carry out important work. Scotland has similar structures and, in my experience, it is very important to be able to deal rapidly with proposals in Brussels. The powers of the Scottish Parliament and its members might be similar to those of our liaison office. The difference may be that we are a small regional Parliament. We do not have the funds to employ as many people as, for example,

North Rhine-Westphalia or Bavaria. The regional Parliaments have different powers. However, we hope that our employees' qualifications make up for that shortfall.

Germany, like the UK, has 24 places on the Committee of the Regions. There is an agreement between the federal Government, the region and local government about the distribution of seats. Each region gets one seat—that is 16 seats. The local agencies get one seat—perhaps you have similar agencies, such as districts. That leaves five seats, which are rotated between the largest regions, providing them with a second seat. For example, Sachsen-Anhalt currently has two seats and will have one in the next session, whereas North Rhine-Westphalia has only one seat. The member or deputy member is part of the regional government. However, unusually, the government of Sachsen-Anhalt has decided that that member should be elected by the Parliament. Currently, I am that member.

**Ms Oldfather:** The delegation knows who I am, because they visited my constituency yesterday and we had dinner. I want to thank them for coming before the committee. Their presentation has been helpful and useful; it contained a lot of information.

I had the good fortune to be able to visit the region of Sachsen-Anhalt exactly two years ago—it was the eighth anniversary of the wall coming down. It is auspicious that this is the first regional delegation to visit the committee and that it is doing so today, on the 10<sup>th</sup> anniversary of the fall of the wall. Today, in the committee, we are marking history.

I was impressed by the emphasis placed on the restructuring of the economy in Sachsen-Anhalt, particularly the importance placed on infrastructure and information-communications technology. I hope that we can learn something from that difficult task. There are similarities between the Sachsen-Anhalt region and Scotland in terms of unemployment and the difficulties that we face in modernising and regenerating our economies. I hope that we can learn from each other.

To follow up on some points raised in the presentation, I am interested in the delegates' views on opportunities for possible further co-operation on economic development initiatives. The west of Scotland participated in the successful ECOS-Ouverture programme. Sachsen-Anhalt was one of the partner regions involved. I know that our visitors are particularly interested in INTERREG: do they see opportunities for further co-operation and development on that?

I was also interested to hear my colleague, Mr Tögel, speak about the Committee of the Regions. I wondered what the structural mechanisms were

for incorporating the work of the Committee of the Regions in Sachsen-Anhalt. Do opinions involving delegates come before the committees, or are delegates autonomous and independent of the structures?

I was wondering about engagement with the people, which has already been mentioned, and about how you communicate positive messages to the people. I wonder whether we can learn anything from Sachsen-Anhalt's 10 years' experience in that.

**Ms Budde:** (*simultaneous interpretation*) I will start with the use of structural funds, linked to what we were talking about before: how to communicate to people on a local level about the distribution of funds.

Between 1994 and 1999, we had strict guidelines on the three funds, particularly on regional development, social development and the creation of jobs. In contrast to what we heard from Strathclyde European Partnership yesterday, our regional Parliament linked the structural funds to national funds. We have tried to use them strictly on investment in infrastructure, and the European social fund was used primarily on getting people qualified, helping them to become self-employed or to get a job, and giving women employment opportunities. We concentrated the funds in particular areas.

That was changed for the second period. The funds were then used for research and development. In the new funding period, it will change again. People can see how the funds are being used at local level: first, on an improved transport infrastructure; secondly, on programmes to assist unemployed people seeking further qualifications; and thirdly, on helping businesses and their staff as technological advances are made.

Making those measures visible is a challenge and, like you, we have a duty to publicise them. Two years ago, we started making a conscious effort to ensure that projects do not run anonymously. The background is simple: the European Commission regulates and funds certain investments in our regional economy. In Sachsen-Anhalt, we had problems with larger enterprises that had been privatised, gone bankrupt and been privatised again.

On every occasion, subsidies had to be approved by Brussels, which was difficult for everyone involved in those businesses. It was ultimately up to committees in Brussels to decide whether subsidies were justified. For that reason, two years ago we tried to explain that there are not just problems with Brussels, but that there are many positive aspects to our relationship with Europe such as new infrastructure and new jobs.

Committee members might be interested to know that we want structural funds to be reorganised. We asked our Parliament to think about the content of the structural funds between 2000 and 2006; it recommended improvements to the structural funds. We tried to ensure that research and development and new communications technology were emphasised for use in business and other areas of life. We want that to be done in parallel with other important measures relating to business funding, employment and the agriculture sector. If you wish to know more, we can address the matter when we discuss INTERREG and areas of co-operation.

There must be objectives when people talk. It is always easier for both sides to suggest ways of working, rather than just having a general discussion. Mr Tögel will speak briefly on that.

**Mr Tögel:** (*simultaneous interpretation*) Your situation is not different from ours. We try to show what European policies achieve, but it is not always easy because of the media. There is sometimes a lot of bad feeling in our population, which arises from misinformation or ignorance. Much work has yet to be done. I do not know what your situation is, but when I look at your history, I am sure that it is not different from our situation.

The issue with regard to structural funds is always co-funding. Success has many fathers, so many people say, "We organised this and we did that and we provided the funds, and then along came Europe," but common initiatives are different. Under INTERREG and similar schemes, people who have nothing to do with us otherwise can see and experience what they can achieve with partners in other European regions. In my region, we had one or two projects that were run with the help of LEADER II, and people became enthusiastic Europeans because they had practical experience that Brussels was not far away. When projects are introduced, people suddenly have a completely different relationship with Brussels and Europe. That is why I try to get my colleagues to ensure that we have funds for our region and that we get the means to co-finance initiatives.

We want to ensure also that the region can help private businesses to be active under those programmes. That is tangible and provides concrete examples that are different from building a bridge or a new ring road, or similar projects. People view that as normal; they do not see it as being financed by Brussels.

15:45

As part of the common initiatives, we need to form transnational partnerships with the other European regions, the eastern European regions

and the accession countries. That is a function that our region, which was integrated for 40 years in the communist system, finds difficult. We have a partnership with Bulgaria and an office there—the only office that a German region has in Bulgaria. We have contact with Iceland, Hungary and other eastern European states, which provide expert knowledge that might be of use to other western European regions. That could be a groundbreaking project for any other regions that might be interested. The issue was raised in our talks with Irene Oldfather and others, and we would like to know whether you might be interested in that.

I return to structural questions. We have only half the regional population of Scotland and only half the budget. However, we have a similarly heterogeneous structure. In Sachsen-Anhalt, the petrochemical industry is very active, but the region has only a small population. We experienced several structural problems after the fall of the Berlin wall. It is our duty to achieve a parity of living standard, but the north of our region does not have the same input as the south. I imagine that there are similar problems in Scotland: there are differences between the north and the south, and between the western isles and Edinburgh and Glasgow. Those problems could form a basis for working under INTERREG or other joint initiatives, to determine European policies, to make procedures more transparent, and to create a basis for future development.

**Bruce Crawford:** Thank you very much. Such interchange makes the European Committee worth while. One of my reasons for wanting to sit on the committee was that I wanted to be involved in such discussions. It is a special day for us, as this is the first time that we have had such interchange.

I was interested to hear what Herr Gürth said about the founding of your Parliament. Obviously, it was set up in completely different circumstances, and with a completely different background from ours. You had the advantage of having no ground rules written for you when the Parliament was established. Many of our ground rules were set down for us, which is creating some frustrations in the Scottish Parliament. We inherited a legislative framework.

I am the chief whip of the Scottish National party in the Scottish Parliament. I have a couple of questions for you. I understand that the upper house of the German federal Parliament—the Bundesrat—is where the Länder are most directly involved in European policy. I would like to know how you, in Sachsen-Anhalt, can influence European policy at that level and what processes exist.

I would also like to ask about the process of your

federal Land financial transfers—a process that you call the *Finanzausgleich*. What has been Sachsen-Anhalt's experience of that? I understand that a couple of the Länder are taking the Bundesrat to court on the issue of the way in which European funds are arriving in the various Länder. How does the money arrive in the Länder from the federal Government, and how is it accounted for? It would be useful for us to understand that.

**Mr Gürth:** (*simultaneous interpretation*) I will give you some information about the *Finanzausgleich*. It is our duty to ensure that the quality of life is on a similar level across Germany. Our constitution stipulates that certain moneys have to be paid into a fund that is used to achieve a common level. Tax income goes directly to local authorities according to a complex system. The distribution is decided in the Bundesrat—the upper house.

It is currently being discussed whether the current system is just and good. The more affluent, economically stronger regions say that the system is not good for the future because there is no incentive for poorer regions to use the money sparingly while achieving the same level of affluence. The more affluent regions have to give away much of their excess money, so they have no incentive to become economically stronger. Debate on that issue is raging in Germany. We do not know what the result will be, but if you know Germany, you will know that Germans take a long time to argue and find solutions to such problems.

For the past four years, we have been part of the *Finanzausgleich*. There was a different transfer system for the old regions of the former East Germany. The solidarity pact will run until 2004. How the transfer of funds will work for the new regions of the former East Germany will be renegotiated.

**Mr Tögel:** (*simultaneous interpretation*) I will say a few words on the European work of the Bundesrat and the regional Parliament. Work on a European level is done by the federal Government, but the upper house recently started to do some European work. In the past, there was no opportunity for the upper house to be part of the debate. There was no opportunity to get the papers, to influence and lobby, to discuss European matters in committees or to tell regional Governments how to behave in their sessions. Whatever the upper house decided was not binding for the regional Government and Parliament. It was frustrating as that meant that we were always a step behind. That led to low interest in regional government.

After 1994, the situation changed slightly. The Maastricht treaty allows for co-determination, so we are able to find out more about the work of the

committees. The second option is that the federal Government can decide with the regional states which region will chair discussions with the federal Government. It could be one minister from a region who deals with the federal Government. Certain topics are discussed and decided by the federal Government and the region in conjunction.

Irene Oldfather asked whether delegates could decide things themselves or whether they are tied to parliamentary decisions. Our interests within a region are independent of the federal Government. Usually members of the European Parliament, who belong to different parties, look after regional and local interests. That is the arrangement in our region. There are fewer arguments within parties, but on certain decisions delegates must hold the party line or decide to go against it. There is, however, no imperative mandate.

**Mr Süß:** (*simultaneous interpretation*) I would like to say one or two words about the flow of funds from the federal Government to the regions. The east of Germany, including Sachsen-Anhalt, is an objective 1 area. The recipients of objective 1 funding were decided jointly by the federal Government and the regions. The financial framework for the funds for regional development and for the social and agricultural funds is detailed for every year until 2006. In principle, there are no arguments, with the exception of one point that is under discussion. The federal Government uses a small percentage of funds for transregional roadworks—the creation of new infrastructure. That is on the assumption that the old east needs proportionately more roads than the western region. A small proportion of the funds is kept by the federal Government for such work.

The spending plans that are on the table at the moment are not affordable, so cuts must be made. On the other hand, we are trying to find more funds to allow the work to go ahead. The current situation is that the funding shortage will not be to the detriment of the region. We have an operational programme for which funding has been decided. Five target groups will benefit from three funds: the structural fund, the regional development fund and the social and agricultural fund. Small to medium enterprises are one group that is being funded.

Germany is in the middle of a restructuring process, the speed of which is probably unknown anywhere else in the world. As a result of that, unemployment is around 22 per cent. Our region has the highest unemployment figures in Germany, and has had for the past few years. That is because we had large-scale industries: petrochemical industries, lignite and mining industries. The introduction of the deutschmark—overnight—reduced the efficiency of certain sectors of the industry.

16:00

It is important that we develop small and medium enterprises, create new structures and modernise businesses and enterprises. We must also promote research and technological development. We heard earlier that that is necessary because the speed of innovation is not sufficient in our country.

Apart from looking after small and medium enterprises, we must take a number of measures to improve the infrastructure. We must, for example, work on the transport infrastructure and the environment, especially in the old industrial regions, where we have large-scale pollution. I think that there are similar problems in Lanarkshire, where there is also pollution from old industries. We want more emission control and less air pollution.

We want to use the social funds to create more jobs. We currently have between 280,000 and 290,000 people who are unemployed and actively looking for work. We will use those programmes to retrain people and help them to get qualifications. We will also clean up the pollution caused by the old industries.

Currently, we have a relatively clear idea of which areas we will concentrate on. We are also clear in our minds about where the funds will come from. One problem, which Ms Budde mentioned, is that the decision-making structures in Brussels cause difficulties. I do not know whether this is our problem or a problem in Brussels. Brussels always says that it is our problem and we say that it is a problem in Brussels and that the decision-making process is not sufficiently transparent.

This process must go faster for regions that receive objective 1 funding and are in the process of restructuring. I do not know how successful we will be, but it is important to exchange information at the international level; for example, to find out how this process works in your country.

**David Mundell:** I will ask two general questions. Your Parliament was set up with high expectations, as was this Parliament, but we have seen people from the former East Germany being interviewed on television who say that their expectations have not been met. Do you have any advice for us on managing the expectations that people have of a new Parliament?

You already explained that, like this Parliament, your Parliament has members who were directly elected, mainly SPD members, and members who were elected on a list. Do you differentiate between members who are directly elected and those elected on a list? Do you have different job descriptions? How do you manage that?

**Ms Budde:** (*simultaneous interpretation*) I will

begin with the second question. There are no real differences. How a member of Parliament is elected is of secondary importance; all members have the same rights and duties. It would be possible for those who are elected directly to be treated differently within their parliamentary group, but I do not know of any group that makes that distinction. Once you are a member of Parliament, you are a member of Parliament, and that is that.

The 10 years since the reunification of Germany have shown that it is very difficult to learn democracy. That applies to members of Parliament, but also to the population in general. It is not always possible to fulfil everyone's expectations, because—to make it more abstract—those expectations range from getting rid of a little bit of dog poo in front of somebody's door to providing somebody with a job. People do not understand why a Parliament cannot decide that a business will not go bankrupt.

We have to learn about the powers of local authorities and Parliaments and the learning curve is very steep. After large-scale restructuring, expectations are even higher—much higher than the system can satisfy. The only chance might be that people, especially children, who grow up under a new democratic system will learn that democracy is not just about living and taking, but about participating. Then you might have the opportunity to see what a Parliament can and cannot do. In East Germany, our expectations were far too high.

**The Convener:** At least two other members of the committee want to ask questions, but we do not have much time. Do our visitors have any questions for the committee before we close?

**Mr Tögel:** (*simultaneous interpretation*) We were surprised to learn that your meetings are open and that the *Official Report* can be read on the internet. We find that very strange. Our committee meetings are not open and the publication of any record is very restricted. We hope that that means that the arguments take centre stage and that members cannot use meetings as a means of self-promotion. Public discussion takes place in the plenary sessions. I would be interested to hear of your experiences of your open system.

**The Convener:** The response from members of the public is very good. People welcome the opportunity to read about what we debate. I know from many comments made to me about this committee and others that individuals and organisations look at the *Official Report* of the committees in great detail. They do so to learn, but also to hold us to account for what we do in Parliament. The fact that we are open and that the information is available very quickly is one of the successes of the Parliament. By tomorrow,

everyone—not just people in Scotland—will know what we have discussed today. People from other parts of the world read about what is happening in the Parliament. Most of us think that it is a very good initiative.

**Ms MacDonald:** I am a cynic and a member of the Scottish National party.

**The Convener:** Are the two facts connected?

**Ms MacDonald:** You have to be one to be the other. While I endorse what the convener has said about people in Scotland endorsing the openness of our Parliament, politicians also have to deliver on jobs and on economic reform. People might appreciate being able to read about what politicians have said, but they will only love politicians if they actually do something. In Scotland, we are on a limited time scale. We have to improve the quality of life in Scotland or else the population will become a little impatient with us. In a global economy, life is hard and people do not have time to listen to politicians.

**The Convener:** That was an interesting response to a question about recording the procedures.

**Mr Gürth:** (*simultaneous interpretation*) Are there any meetings that are not in public? I could imagine that internal discussions have to take place, for example, if the committee is dealing with restricted materials or if it is talking to businesses about sensitive matters.

**The Convener:** This committee has held no meetings in private. I cannot think of any reason why we would have to. I am aware that committees will come together before a meeting to discuss what line of questioning to take in the meeting, but such occasions are few and far between. However, the committee would be bound to respect any wish for confidentiality that was expressed by the people who were being interviewed. The Enterprise and Lifelong Learning Committee might find itself in that situation, as might the Justice and Home Affairs Committee, which deals with sensitive matters.

**Allan Wilson:** I am a member of the Enterprise and Lifelong Learning Committee. Our arrangement differs from that in Sachsen-Anhalt in that the committee links the issue of lifelong learning with that of enterprise. We have met in private when we have been briefed by local development organisations as we felt that that was the best way to ensure a full and frank exchange of views.

**Ms MacDonald:** Could I ask a brief question?

**The Convener:** Margo, I have never known you to ask a brief question, but on you go.

**Ms MacDonald:** Is the European Union a

popular institution in Sachsen-Anhalt?

**Ms Budde:** (*simultaneous interpretation*) It depends.

**The Convener:** On behalf of the European Committee, I thank our guests for their presentation. As Bruce Crawford said, sessions such as this make the work of the committee worth while. It is important for Europe that people from different regions reach out the hand of friendship and work together. I hope that this is not the last contact that you will have with the Scottish Parliament. I know that you have some contact with colleagues in Scotland but perhaps, through this Parliament, we can find ways of co-operating on joint projects that will be of benefit to the people we represent. I am delighted that you have taken the time to visit us.

16:15

It has been suggested to me that I bid you farewell in German, but I fear that my German is so bad that I would insult you by trying. I thank the translator, who has been excellent and has helped us with our work, and I thank the broadcast service. I do not know whether any committee has used this facility before, but it is the first time that we have tried. I hope that we can do it again with other colleagues from the European regions.

I ask the committee to wait behind at the end of the meeting so that we can have a photograph taken with our friends, who will make themselves available for questioning by anyone who did not have the opportunity to question them.

**Ms Budde:** I thank the committee and I invite you to Sachsen-Anhalt to learn how our Parliament and committees work. Apart from going to a place, the best way to learn about somewhere is to read about it and look at pictures of it. We have brought small books for the members of the committee and a big book for the convener. We brought small books because it is hard to bring heavy books from Sachsen-Anhalt, but if you visit Magdeburg, we will give you thicker books.

Thank you for giving us the time to speak to you. I hope that we can continue this discussion in Magdeburg.

**The Convener:** Thank you very much.

*Meeting closed at 16:18.*





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