

EUROPEAN COMMITTEE

Tuesday 2 May 2000
(*Afternoon*)

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EUROPEAN COMMITTEE 8th Meeting 2000, Session 1

CONVENER

*Hugh Henry (Paisley South) (Lab)

DEPUTY CONVENER

*Cathy Jamieson (Carrick, Cumnock and Doon Valley) (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)

*Ms Margo MacDonald (Lothians) (SNP)

*Maureen Macmillan (Highlands and Islands) (Lab)

*David Mundell (South of Scotland) (Con)

*Irene Oldfather (Cunninghame South) (Lab)

*Tavish Scott (Shetland) (LD)

*Ben Wallace (North-East Scotland) (Con)

*Allan Wilson (Cunninghame North) (Lab)

*attended

THE FOLLOWING MEMBER ALSO ATTENDED:

Euan Robson (Roxburgh and Berwickshire) (LD)

CLERK TEAM LEADER

Stephen Imrie

ASSISTANT CLERK

David Simpson

LOCATION

Committee Room 2

Scottish Parliament

European Committee

Tuesday 2 May 2000

(Afternoon)

[THE CONVENER *opened the meeting at 14:03*]

The Convener (Hugh Henry): Good afternoon. Welcome to the eighth meeting of the European Committee in 2000. One or two members may be a bit late. We will see them when we see them.

We should note that today, 2 May, has been designated as Europe day. It is a day of significance to those who are keen to advance a wider European identity and perspective. The European Movement is holding a cross-party reception this evening in Edinburgh city chambers, and I hope that the event goes well.

European Structural Funds

The Convener: The first item on our agenda is our inquiry into European structural funds. Following our previous discussion, I met the convener of the Finance Committee, and the Parliamentary Bureau has also discussed where the issue should rest. The bureau suggested that both committees have competence in certain areas, but that the European Committee has competence in the substantial part of the inquiry's work. Following those discussions, the clerks to both committees met to try to come up with a demarcation between the committees. The paper that members have before them represents the best available option for the European Committee's examination of broad European issues, while recognising the role of the Finance Committee.

I ask the committee to agree the proposal in the paper. I am also asking for members' indulgence in being flexible in relation to the people to whom we have written. We are still awaiting replies, but that is one of those things. If they agree to meet us, we may well have to meet when it suits their diaries, rather than their fitting in with our diaries. We are all keen to try to finish the work before the summer recess but, as I said, a degree of flexibility will be required. We will also take written evidence from a wide range of bodies, including, in particular, academic bodies. I want to suggest that we should decide whom, if anyone, we want to interview as a result of that written evidence, rather than deciding that beforehand.

We must also agree in principle to appoint an

adviser. We will not choose that adviser today, but we must obtain approval from the bureau to make an appointment. Although we have discussed this matter before, the *Official Report* does not show that we agreed in principle to appoint an adviser. We must make a formal decision about that today. I hope that we will be able to get that matter on to the bureau's agenda, in order to be able to make a decision on whom to appoint at our next meeting.

Having made those introductory comments, I will throw open the meeting for discussion.

Bruce Crawford (Mid Scotland and Fife) (SNP): I have a few comments, convener. Primarily, I wish to seek some clarification around some of the issues described in the paper in front of us. The situation has moved on—as is the nature of the beast—from our first discussion paper, about which we had a good kick around during a previous meeting a few weeks ago. I welcome the paper's broad approach to establishing the basic facts on European structural funds and, from my own perspective, on additionality in particular.

Convener, I understand that you need to discuss matters with the convener of the Finance Committee, but we have yet to see any papers that are to be discussed by the Finance Committee. Therefore, at this stage I am not sure whether there are any holes in the joint approach. We must ensure that nothing falls between the stools. There may be a weakness on page 2 of the document, under stage II, in relation to the procedure. It will be quite difficult to comment further until we see the Finance Committee's papers.

One of the key elements of the inquiry—indeed, the reason for the inquiry—is listed in this document as item 6 on page 3. I hope that the fact that it is number 6 in the list does not affect its priority. A couple of related issues were included nearer the top of the list, in the first paper that we discussed: whether the European structural funds are additional to, or replacements for, sums in the Scottish block, and whether there is a net impact on overall expenditure levels in Scotland. Those two issues are covered in point 6, and I hope that the committee recognises that, on pages 2 and 3, the numbers are not indicative of priority.

Point 5 asks:

“Is there a difference from the Welsh situation in terms of match-funding?”

The Welsh situation is similar to ours. The issue is not only of match funding but of additionality, which is different. Therefore, I suggest that we ask, “Is there is a difference from the Welsh situation?” The question should not focus solely on the issue of match funding, but should include additionality.

Do you want me to stop there, convener, or should I continue with points that I want to raise? I will continue if you want.

The Convener: No. You are right about priority. The numbers do not signify priority in any way, shape or form. We will give due significance to what we believe is important in the discussions. We will consider the wider issues relating to additionality and replacement. I am trying to remember what we previously discussed in terms of net expenditure.

Bruce Crawford: The words that we used were:

"Is there a net impact on overall expenditure levels in Scotland?"

The Convener: That would be covered in what we see here, and we can tease that out as we go forward.

I am trying to remember what was previously discussed about the Welsh situation in regard to match funding. I am not sure that there is much of a difference between us. I do not know whether the way in which the question is worded is significant, or whether that is just the way in which the previous discussions panned out. I need to ask for advice on that. Without wanting to cause too much disruption, I will ask the clerk to go and check that out. Rather than have him leave the meeting, we will do what we can today and come back to the issue if we have to.

Bruce Crawford: The other points that I want to raise concern the proposed witnesses on page 3. I welcome the invitations that are being sent out to Scottish and UK ministers and to EU officials. In this process, we must be mindful of the costs that are involved, and we must bear in mind the limited scope for inviting witnesses. As only one academic study has been conducted in the UK in the past few years on structural funds and additionality, and as only one public inquiry has been held into the subject, the academics concerned should be invited, to enable a balanced view to be reached. The chairman of the Welsh Affairs Committee is not on the list either, although that is the only parliamentary committee that has undertaken an in-depth study into this issue.

As reference is made to the Welsh situation, I would expect us to be able to lean on the academic study that was undertaken by Dr Gillian Bristow and Dr Nigel Blewitt of the Institute of Welsh Affairs, who have been thoroughly involved in the whole process. Given that we want to make a comparison with Wales, I thought that they would make a useful academic starting point. I know that we have not written to them, which is rather disappointing, and I hope that we can agree that the Institute of Welsh Affairs, as represented by the academics whom I have mentioned, should be invited to give evidence to the committee, along

with members of the House of Commons.

I understand that there is a need to take written evidence from the wider body of academics. I hope that we can get that reasonably early, as it will drive the questions that we want to ask the ministers and the other witnesses whom we invite. I and, I am sure, other members would find it helpful to hear where the academics are coming from, so that we can have a proper discussion of the issue with the minister, the secretary of state and others.

14:15

Within the last month, the European Parliament has taken a view on the issue of additionality, passing a motion by 368 votes to 10. It might be useful to take evidence from politicians who were involved in moving that motion, which had wide cross-party support.

The Convener: I will deal with your points one by one.

I suggest that we take written evidence from the academics and then decide which of them we wish to invite to appear before the committee, rather than determining that in advance. I do not, therefore, support our deciding now to invite the Welsh academics. I believe that they should be treated in the same way as the other academics who supply us with information.

I am cautious about inviting members from the House of Commons and the European Parliament, who are having political debates on this issue as part of their elected responsibilities, to appear before the committee. We are elected to consider these and other matters on behalf of the Scottish Parliament. It is for members of other bodies to come to their own views on this subject, based on the evidence that they receive.

In my view, we should reach a conclusion on the basis of the information that is presented to us. I do not see the benefit of hearing from a member of a House of Commons committee who did nothing but take evidence from various quarters, which is what we are doing. We are more than capable of reaching our own conclusions, based on the information that we receive.

Similarly, we should obtain a copy of the report that was produced and the motion that was passed by the European Parliament, but I am not sure that our hearing from a politician who spoke for or against that motion would add much. Members of the European Parliament are no more expert in these matters than other politicians.

Ben Wallace (North-East Scotland) (Con): I want to draw the committee's attention to some differences between the original briefing paper that we received a month ago on the remit of the

inquiry—EU/00/6/1—and the one that is now before us. I agree with Bruce Crawford about stage III, the implementation of the funds in Scotland and how they are broken down. It might seem pedantic but it is important to expand the wording of the remit and to get it right because we may find that people in the Treasury stick to that wording.

I was happy with the key issues that were set out in the previous draft. It asked:

“Are European structural funds additional to, or a replacement for, sums in the Scottish Assigned Budget?”

The second question in that draft was:

“Is there a net impact on overall expenditure levels in Scotland?”

I am not happy about the sixth point in the revised remit because it says “Within Scotland”. The three institutions that are involved are the Treasury, the European Parliament and the Scottish Executive. From answers to question that I have asked, I know that some funding is not paid out from within Scotland but comes in directly through a UK system, for example, through the Department of the Environment, Transport and the Regions.

I prefer the first two key issues in the previous paper. They are clearer and express our aim. There should be a yes or no answer to those questions, but point 6 is a bit woolly. I hope that the inquiry will be the end of the matter for now. The more direct the question that we ask, the more direct the answer will be.

Dr Sylvia Jackson (Stirling) (Lab): I have several quick points. First, on the crossover between the two committees, the briefing document says that:

“Members from either Committee will be free to attend meetings”

Should we nominate somebody so that at least one member of the committee will definitely attend the Finance Committee? That may be more useful than leaving the matter open-ended.

The Convener: It is my understanding that any member has the right to attend any committee, although whether a member speaks on behalf of the committee is another matter. I do not want to appear to disfranchise anyone who feels strongly enough about something to go the Finance Committee, but I think that your suggestion is a good one. As we proceed, we can nominate members to take to the Finance Committee specific issues that we want to address. I would hesitate to limit members.

Dr Jackson: I did not want to suggest that. If we nominated a member, we would guarantee that we had a member present at meetings of the Finance

Committee, either taking a message to that committee or bringing one from it.

The Convener: We will try to accommodate that suggestion, with the proviso that anybody who wishes to express a personal view at meetings of the Finance Committee is entitled to do so.

Dr Jackson: I have a couple of other points. We talked quite a bit about the issue of taking evidence from academics. Cathy Jamieson said that, in the first instance, written information would be very useful, but we may then want to meet one or two key people. On Bruce Crawford's point about the Welsh situation, if we get a report or other information about that, it may be interesting to invite a witness to go over some points, as sometimes doing that clarifies issues.

I also have a purely selfish point. I cannot attend all the meetings of the committee because the Local Government Committee meets at the same time right up until summer, but I might well be able to attend meetings of the Finance Committee on occasion, if somebody were needed to do that.

The Convener: I want to return to Bruce Crawford's point. The original draft of the remit asks:

“Is there a difference from the Welsh situation?”

I think that we should be consistent with that in the revised remit.

Ben Wallace's point about the wording “additional to” or “replacement for” was slightly similar to Bruce's, although Ben also talked about going beyond Scotland. The two original points mentioned Scotland as well.

Ben Wallace: I mentioned the phrase “Within Scotland”. That was all.

The Convener: I am content to go back to the two original bullet points as they are, which would ensure consistency.

Allan Wilson (Cunninghame North) (Lab): We are being asked to approve the division of the inquiry into two. I am not sure why; it is certainly not explained in the paper. It seems an unnecessary duplication. Stage II of the suggested format for the so-called dual inquiries could easily be split up and put into stages I and III, resulting in a two-stage inquiry to be conducted solely by the European Committee. That would let us get over a lot of these problems.

I would be interested to know how the division came about. Was it a question of two parliamentary committees being unable to agree which one would be the lead committee? Is there not a better way of resolving this, one that would not result in duplication of work and that would not result in people going between two committees as suggested by Sylvia Jackson?

Bruce Crawford and his party have been making the running on these issues and creating the need for the inquiry in the first place. If Bruce wants Welsh academics and representatives of the European Parliament and the House of Commons et al to be invited along, perhaps we should give that due consideration. However, if we were to extend our inquiry beyond the time scale that has been proposed, the likely outcome would be that we would have to extend the inquiry beyond the summer. That may be what is desired, I do not know. However, if it is felt necessary to do that to get to the root of the problem, if problem indeed there is, I am in favour of doing that.

The Convener: I have already given my view on that. I would stick with the suggested time scale.

I will answer your first point. We have tried to reflect the fact that the Finance Committee felt strongly that it should have a role. It felt that it should be the lead committee in these matters. I argued strongly that we should be the lead committee. The matter was also discussed in the Parliamentary Bureau. Its recommendation was that we should all meet to try to reach an agreement. That agreement is what you see in the paper before you.

We have tried to separate the issues. Although the inquiry is divided into stages I, II and III, it would not be a question of our completing stage I and then waiting on the Finance Committee to complete stage II before we could go on to stage III. Stage II is separate, and deals with United Kingdom Treasury accounting issues. I do not think that it is for the European Committee to investigate how the Barnett formula works, what the implications are for the formula and so on. We have properly left that to the Finance Committee, separating it from all the other Europe-related matters that will be dealt with by this committee. There is a clear division, and one that has the agreement of the convener of the Finance Committee.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): I want to pick up on the point that Sylvia Jackson made. I think that I also made this point at a previous meeting. I understood that the point of trying to get as much written evidence as possible was that that evidence would inform us and help us decide on the questions we wanted to ask and, indeed, on who we might invite along to the committee to give supplementary oral evidence. I do not see any point in asking people to come here simply to repeat what they have said in written papers.

Following on from Allan Wilson's point, I am concerned about the suggestion of flexibility. A number of committees are now meeting weekly and a number of inquiries are going on. I do not want to seem inflexible: just how practical will it be

in terms of the work load of the clerks and everybody else to get people together on a flexible basis? There should be a limit to the extent of flexibility.

14:30

The Convener: Through the invitation, we will try to fit people into our timetable. If someone is available but not on the suggested day, it would not be in our interest to say we cannot accommodate them. We will try to adhere to our timetable but we should retain some flexibility so that some very busy people can come before the committee.

Irene Oldfather (Cunninghame South) (Lab): Synchronisation will be crucial, because we will miss opportunities for questioning if we do not get the listing right. The way the clerks have listed it, with the European Court of Auditors and the director general for regional policy first, is right, but it will be difficult to get those people. Is that still a possibility for next week? It is important that we have evidence from them before we speak to the Scottish Executive and the Treasury.

Because of the pressure to complete the inquiry by 13 June, there could be a temptation to hold meetings anyway. Next week is particularly difficult for me as a minister is coming to my constituency and I am speaking at a conference.

How will we liaise with the Finance Committee? I note that we are to have a special adviser, which is a good idea. Is the same thing happening in the Finance Committee? Like Allan Wilson, I am concerned that this is a big piece of work in a very short time. It will be difficult to arrange our witnesses, work with our adviser and tie in with the Finance Committee.

The Convener: I do not know whether the Finance Committee is appointing an adviser.

The two pieces of work should stand independently; we can then forward our conclusions to the Finance Committee. Given the complexities of the Barnett formula it would be wrong to wait until its investigation is complete. I do not think it will want to be constrained by having to look only at Barnett in relation to European funding. There are wider issues that the Finance Committee will want to look at and European funding will make up a significant but not exclusive part of its investigation. We will keep in contact as best we can; I hope we will not be prejudiced in our ability to proceed by what the Finance Committee is doing.

David Mundell (South of Scotland) (Con): When Ben Wallace and I indicated our initial support for the inquiry, one of our key concerns was that it should be definitive so that the matter

can be put to rest. I am therefore pleased to hear what you said, convener, in relation to Ben's point about the two points in the previous paper. That will be helpful.

Secondly, if it appeared not to be possible to do the work in the way we want in the time suggested, I would prefer the inquiry to go on longer and be definitive than for us to constrain ourselves by sticking to finishing by the summer recess.

Thirdly, I agree with Bruce Crawford's point about the Welsh situation. I have attempted to read the paper. I do not think that it is possible to evaluate it without having the people here to ask them questions. If we want to put the Welsh issue to bed, we need to have that level of discussion, because there is a particular comparison with Wales. I therefore support involving the Welsh academics.

The Convener: It would be sensible to review progress after a few weeks to see whether we will be able to reach a conclusion before the summer recess. It is still my intention, if at all possible, to finish the inquiry by then, because I do not want it to drag on ad infinitum. However, equally, members are right to say that if we are going to do the inquiry, it must be done properly. We do not want to rush to a conclusion simply for the sake of meeting a scheduled date, so we will come back to the timetable if need be.

We were not saying that we would not invite the Welsh academics. I suggested that we should get the papers from the academics and then decide who, if anyone, we want to invite. We have already said that there are points in the paper that need to be teased out, but we may reach the same conclusion about other papers when they come in. We need to have a fairly open mind about who should be brought in and the value that they can bring to the committee's deliberations.

Tavish Scott (Shetland) (LD): First, I apologise for my lateness. If I ask a question that has already been asked, I am sorry. I have just read section 2 about the way forward, which points out that the inquiry will be not

"a joint Inquiry but two distinct yet inter-linked Inquiries".

I was supportive of that in the context of doing a definitive piece of work, as David Mundell described, that answers the real questions that many members are posing. I went on to read in the briefing paper that the Finance Committee will take evidence on areas broadly in line with ours. I must confess that I am at a loss to understand why two committees need, in effect, to go over the same ground. We are the European Committee and we should do this inquiry. That should be the end of the matter. However, it has happened and I accept that we must move on.

I want to clarify a couple of points. What happens when the final reports go to Parliament? Will they go jointly or separately? Will we debate the subject on two different days? I take your point, convener, about duplication. There is something in the paper about the clerks having to work together to ensure that we do not duplicate the work. How are we going to ensure that two parliamentary committees do not get bogged down asking the same questions in two different committee corridors in the same week?

The Convener: I will let Stephen Imrie answer the technical point about how the reports will be presented to Parliament. I made the same point that you have just made to the convener of the Finance Committee and to the representative of the Parliamentary Bureau. I told them that I felt very strongly that our committee should conduct the inquiry. However, the Parliamentary Bureau was not prepared to say that only one committee could examine the issue. It was felt that the Finance Committee had a legitimate interest.

As part of the negotiations, there was an attempt to define the areas of interest. I hope that that will mean that the two committees will not go over the same ground. I am clear that this committee should deal with any matters relating to the European perspective and European issues and that the Finance Committee should examine how that impacts on internal UK accounting mechanisms and, specifically, the Barnett formula. We will have to wait and see.

Stephen Imrie (Clerk Team Leader): On the reporting procedure, the Finance Committee will be able to publish its own, standalone, report. Assuming that it reports before we do, we, as the lead committee, would incorporate its views and report into our final report.

Ms Margo MacDonald (Lothians) (SNP): It is getting awful esoteric now.

I apologise for being late. Does not the Finance Committee have to wait until there is something—the findings of this report—for it to discuss?

The Convener: Not necessarily. I am not in a position to influence the deliberations of the Finance Committee. If it chooses, it can start the investigation into the Barnett formula. It may conclude that it needs some information from us to help in its deliberations, but that is a matter for the Finance Committee.

Ben Wallace: I notice that we have a visit from the Secretary of State for Scotland or one of the Treasury ministers arranged for 23 May. That would be very short notice for a minister and I wondered whether there had been any tentative inquiries to see whether their diaries are free.

The Convener: We have written and we have

put out some feelers, but have had no response as yet.

Irene Oldfather: I would like to return to my point about whether EU officials from the European Court of Auditors and the regional policy directorate general are likely to be available next week.

The Convener: You are absolutely right to raise that, Irene. I suggest that we do not proceed with next week's meeting—that will allow people a bit more time.

David Mundell: Has the secretary of state agreed to come?

The Convener: No. We have had no formal notification from anyone as yet. We are inviting people—whether we get ministers or officials remains to be seen.

Ben Wallace: That might be relevant to our timetabling.

The Convener: It will be.

Ben Wallace: If they cannot come, I would be happy for this to be arranged after the recess so that we can ask questions of the right people.

The Convener: We will respond whenever we have further information. How do members feel about the recommendation that we do not proceed with next week's meeting, given that we have not received any indications yet? Is that agreed?

Members indicated agreement.

Bruce Crawford: Instead of having witnesses next week—and I do not think that we should have a meeting next week—we should get the information from the Institute of Welsh Affairs report now, so that we can start digesting it and make a decision at the next meeting about which academics, if any, we should ask along. The sooner we get the written evidence, the sooner we can make those decisions.

The Convener: We will get that circulated.

Ben Wallace: I have some letters from Michel Barnier, the regional policy commissioner, that the committee might be interested in.

The Convener: Please pass them to the clerk and they will be circulated.

Allan Wilson: Convener, you gave a fairly clear indication that the committee would revisit the time scale if it proved impossible for us to deliberate fully. Is there no prospect of our revisiting the matter of the duplication and replication inherent in the Parliamentary Bureau's decision to split this inquiry? It seems potentially to be a recipe for confusion at the end of the process if conflicting reports appear. We will be not one step forward from where we are—or where we were previously,

depending on our perspective. A lot of time and effort and significant resources will be devoted to this.

The Convener: I am reluctant to retrace our steps, Allan. This proposal was the result of a tripartite discussion. I hope that we agreed that we would split clearly the areas of consideration so that the problems you have identified will not arise. I suggest that if we retrace our steps we will be unlikely to get agreement to what you seek.

David Mundell: If I may return to the point that Sylvia Jackson made, surely someone should be monitoring both inquiries—and not just off their own back—so that they can point out that questions have already been asked in the European Committee or in the Finance Committee.

14:45

The Convener: We have already agreed that we will attempt to monitor the Finance Committee's inquiry. However, we cannot prescribe what another independent committee of the Parliament will discuss. I hope that it will not duplicate the work that we are doing, but even in this committee the same point is often made on two or three occasions—that is in the nature of committee work and of democracy. We need to be sensitive to the Finance Committee's aspirations and to what it is attempting to do. I do not think that there would be any value in discussing this issue again with the bureau; it has taken us long enough to get to this point.

Taking into account the changes to the wording of the document that Bruce Crawford and Ben Wallace have suggested, Sylvia Jackson's suggestion that we liaise closely with specific individuals, the suggestion that we appoint an adviser, and the need for flexibility in the timetable, are we agreed on the remit of the inquiry?

Members indicated agreement.

Aquaculture Report

The Convener: The second item on our agenda is a review of the impact on the Scottish aquaculture industry of European list 1 designated disease infectious salmon anaemia and list 2 disease viral haemorrhagic septicaemia. That title must have taken Maureen Macmillan some time to write, never mind the draft report.

Maureen Macmillan (Highlands and Islands) (Lab): People are always impressed by those words. I trot them out every time schools visit—when they ask me what I am doing in the Parliament, I say that I am studying infectious salmon anaemia and viral haemorrhagic septicaemia.

At the top of the paper, there is a list of organisations that I have visited. I have also had a meeting with a representative of Hydra, a Norwegian aquaculture organisation that has an interest in the aquaculture industry in Scotland.

ISA was first recorded in Norway in 1984 and then in Canada in 1996, although the virus was not quite the same. To begin with, the disease was not called infectious salmon anaemia, because people were not sure what it was. Only later was it given that designation. The first case in Scotland was found in 1998, on a fish farm in Loch Nevis. Evidence for where it came from is inconclusive, and there is not total agreement on whether the outbreak in Loch Nevis was the progenitor of all the other outbreaks that have taken place in Scotland. By June 1999, 28 farms in Scotland were suspected of being infected, although only 11 were subsequently confirmed as having the disease.

The virus does not always develop into the disease; it is suspected if there are some clinical signs. The disease is highly contagious, and is transmitted through water, by blood and faeces coming into contact with other fish. That is much more likely to happen in a fish farm than in the wild. However, there is some controversy about whether ISA exists in the wild. ISA appears to endanger salmon only. Although trout have been known to carry the virus, no evidence exists of them succumbing to the disease. That fact, along with the evidence that the virus cannot survive at temperatures above 25 deg C leads to the conclusion that the virus poses no risk to human health. It is extremely important that we understand that.

The Scottish Environment Protection Agency points out that the disease can be spread by effluent from fish processing. That could be prevented by disinfecting effluent, which is done most effectively by chlorination. That involves non-

biodegradable organochlorates, which are not good for the environment. SEPA suggests using alternatives to chlorination such as ozonisation and particle screening.

Under EU legislation, the disease is classified as list 1. That means that stringent controls are introduced to eradicate any outbreak and to prevent the spread of the disease. Those measures include a requirement to report any suspicion of an outbreak of the disease. If the disease is suspected, stringent measures must be implemented controlling the movement not only of fish, but of equipment and personnel associated with the farm. Surveillance is also introduced on all farms in the suspect farm's catchment area. If the disease is confirmed, slaughtering and fallowing measures are introduced on the farm.

The EU directive also outlawed the use of vaccines to combat the virus because the EU wanted to eradicate the virus rather than control it; the EU thought that vaccination would send out the wrong signal. However, the report of Ian Stewart Hudghton MEP, as rapporteur to the EU Committee on Fisheries, proposes amendments to the directive. That has paved the way for the introduction of vaccines. The report has yet to receive formal approval from the Council of Ministers, although it has been adopted by the Committee on Fisheries and the European Parliament.

I will now turn to the economic impact of the ISA regulations. About 6,500 jobs in Scotland—mostly in the Highlands and Islands—are dependent on the salmon industry. By June 1999, the cost of the slaughtering policy was £37 million and there were 180 direct job losses. It is estimated that compulsory culling will result in a 25 per cent reduction in production capacity by the end of 2000.

The industry believed erroneously that compensation for loss of stock would be paid from the EC veterinary fund and that that would be match funded—50 per cent from Europe and 50 per cent from Westminster. However, ISA was not included on the list of diseases that could draw compensation from that fund and direct compensation from either source was not forthcoming. Ian Stewart Hudghton's report calls for European Council decision 90/424/EEC to be amended to add ISA to the list of diseases that can be compensated from the EC veterinary fund.

As a result of the compensation issue, insurance is currently not available to the industry. That has an impact on its ability to raise bank loans. The industry's collateral lies in stock; if it cannot insure the stock, it cannot raise loans. Despite the proven lack of danger to humans, there is a risk that consumer confidence in the salmon industry may be lost. Following previous food scares, the public

need to be educated that there is no risk from ISA. There is a problem with supermarkets in this country that will not take fish if there is even a suspicion of the virus. That is not helped by press stories talking about killer viruses and so on.

The public naming of suspected farms damages their reputation. The knock-on effect on neighbouring farms is also detrimental and results in a lack of confidence on the part of traders and so on. That is despite the fact that mere suspicion does not—as has been shown—mean that the farm is infected.

Norway is a good comparator for Scotland—it is an excellent control area for ISA. It is the largest producer of salmon and has had the longest experience of the disease. It is not a member of the EU and is therefore not bound by EC directives, although controls are enforced when it trades with the EU. The most obvious point about Norway is that salmon production has not collapsed, despite the fact that the disease is endemic. The Government funds the industry heavily, seeing it as an important part of the local economy. Norway produces 420,000 tonnes of salmon, whereas Scotland produces 118,000 tonnes.

In Norway, ISA is dealt with with a view to sustaining the industry. The Norwegians have a control approach as opposed to an eradication approach. That, in brief, is how Norway manages the disease. On suspicion of the virus being present, the problem is managed by the local farmers, vets and fisheries departments, who hold a sort of conference to decide on the best way of treating the farm. In Scotland, the Marine Laboratory Aberdeen—in other words, the scientists—takes on responsibility for the management and control of the problem.

In Norway, if 25 per cent of the farm is affected—not if the virus is proved to be present, as happens in Scotland—an entire farm stock is eradicated. As the farms are not publicly labelled as suspect, there is no detrimental effect on them and their neighbours, unlike the way in which the situation is perceived in Scotland.

Although EU moneys were not forthcoming, compensation packages to assist the industry in Scotland have been announced. In February 1999, the Scottish Office announced a package of £3 million per annum for three years. That proved unworkable, as it had to be match funded by the industry. The industry, being on its uppers, could not do that.

In 1999, further moves to assist the industry were announced. However, the main hope is that the Hudghton report will convince the Council of Ministers to add ISA to the list of diseases that can be compensated, although that would still be

subject to match funding by the Government.

A great deal of short-term hope is placed on the successful adoption of the Hudghton report. If approved by the Council of Ministers, it could pave the way for the introduction of vaccines and compensation. However, the vaccine issue is still to be proved. There are no vaccines at present with which scientists in Scotland are happy. They are difficult to administer and scientists are not sure whether there is a truly effective one.

Compensation is reliant on match funding so, if there is to be compensation, we need assurance that the funds to match those from Europe will be forthcoming. The introduction of effective compensation should pave the way for the insurance industry to insure farmers and so allow them to access capital.

The policy on naming suspect farms needs to be re-examined. Should the Norwegian approach be adopted here? The Norwegian approach of control rather than eradication needs to be further examined; we need to know how effective it is in the long term. The comparison between non-regulated Norway and regulated Scotland is excellent for those purposes.

That concludes the draft on ISA. I have a brief outline on viral haemorrhagic septicaemia, which is an especially virulent disease in white fish. Although it is not recognised as being endemic in UK waters, it was recorded on a turbot farm on the island of Gigha in 1994. There is some controversy about how it got there—whether it came through the seawater inlets or whether it was given to the fish in food. It was a severe outbreak and all the fish had to be slaughtered.

Generally, the UK, along with Finland, Norway, Sweden and Ireland, is recognised as being free of the disease. VHS occurs on the continent, particularly in fresh water. It can be treated chemically, but there are environmental dangers with that. It affects white fish, with which the aquaculture industry is keen to become involved. The industry wishes to develop turbot, halibut and cod as alternatives—or adjuncts—to salmon farming. There is great potential in the marketplace for that.

The extent to which the aquaculture industry involves itself with white fish may be affected by the experience of ISA and the EU regulations. The industry does not want to go down the same road as it went down with ISA. At present, the EU regulations for dealing with VHS are similar to those for ISA. There is still uncertainty about how issues such as compensation, insurance and so on will be resolved. The future development of the industry in Scotland may be hindered, which would be a great shame because it represents a potential boost to the aquaculture sector and to

the Highlands and Islands.

It is worth noting that the North Atlantic Fisheries College believes that the EU is moving towards a Norwegian approach to these issues, allowing the industry itself to manage the problem. It is hoped that disease will not prove a major worry, but if problems start to arise, perhaps we should learn the lessons from ISA and VHS.

15:00

The Convener: Thank you, Maureen. Although the report is a draft, it is very detailed and you have obviously done a lot of work.

When the final report is approved, we should send copies to the Rural Affairs Committee and to the Executive and draw their attention to the details. Are there any comments on the draft report?

Heavens, what a flurry of hands. There must be a lot of experts here.

Irene Oldfather: As a vegetarian, I have to admit that I am far from being an expert on this subject. Having read Maureen's report, I am quite glad about that. I congratulate her on the work that she has put in, but I have to say that what she says frightens the life out of me.

In her second-last paragraph, she notes that the EU is moving towards a Norwegian style of dealing with the problem. Has she considered how the new Food Standards Agency might link in with that? Could there be a conflict between consumers and producers?

Maureen Macmillan: I have not considered that point. However, there is no danger to the consumer from ISA or from VHS, which cannot affect human beings; they affect only fish. The fish that develop the full-blown disease would always be slaughtered. Because of the BSE crisis, the use of the word "disease" in connection with anything in the food chain scares people off. In this case, those fears are unnecessary.

Ms MacDonald: I am just a seeker after truth, Maureen, and I congratulate you on your work. However, I have one or two wee questions, because I think that tomorrow's story might be, "Parliament says, 'Eat up your salmon. It's quite safe'." I say that as an old tabloid hack.

I am prepared to believe you, as I have two steaks sitting in the fridge at home and I shall eat them tonight in celebration. I do not know whether they came from Norway or from Scotland. The Norwegian way of dealing with things, as far as I can see, is that if 25 per cent of the stock is affected, it is goodnight to that fish farm. If the diseases are harmless to the consumer, why do we need to wipe out infected fish farms?

Maureen Macmillan: That is what happens in Scotland at the moment.

Ms MacDonald: I asked about Norway.

Maureen Macmillan: If the fish get the disease, they will die. Those diseases are fatal for fish. I presume that the cull is carried out so that the water does not get too full of infected faeces and blood that would transmit the diseases to other fish.

Ms MacDonald: That is nasty for them, but if it is not going to kill me, why should I worry? I am being blunt about this. That seems to be the hole in the Norwegian way of doing things.

I appreciate that this is a draft report, but what do the Norwegians actually do to contain, rather than eradicate, the disease? We can all understand what is meant by eradication, but how can one contain a disease if there are questions about the application of vaccine and the use of organophosphates?

Maureen Macmillan: The Norwegians contain the diseases by selectively bumping off the fish that have become infected. In Scotland, there needs to be only one suspect fish on the farm and that is that. The Norwegians concentrate on managing disease. If it gets out of hand, at 25 per cent, they decide that it has taken hold and act accordingly.

Ms MacDonald: Presumably, there is a case load of research saying what percentage of the fish farms that have had ISA contained in the Norwegian way go on to develop more than 25 per cent infection.

Maureen Macmillan: There will be statistics in Norway. It is not easy for us to get hold of them, but we can try.

Ms MacDonald: If we think the Norwegians have got it more right than we have—they are trying to contain rather than eradicate—we had better be able to back that up. From the point of view of a fish farmer, I can see that the Norwegian situation might be attractive but, bearing in mind what Irene Oldfather said, it might be difficult for the committee to convince people of that.

The Convener: I would hate to taste your salmon fish suppers.

Ms MacDonald: They will be lovely with a touch of lemon juice.

Tavish Scott: The best selling fish product in Shetland is the salmon sausage. You laugh, but a company has gone into production using the bits of fish that do not make it into the nice little vacuum packs in the supermarkets. I will bring some to the next committee meeting.

I want to make clear the fact that the disease is

the fish equivalent of the common flu in humans. There is no danger to human health. Maureen has put a lot of work into this report on the aspects that relate to legislation and regulation, not those that relate to issues of health—that would be the Health and Community Care Committee's pigeon. I suggest that if Margo had no worse than the common flu she could carry on eating salmon and it would do her a lot of good.

I would like several conclusions in the report to be firmed up. The work that has been done is important, but we should deliberate and answer the questions Maureen poses. Margo was doing that a minute ago—she was continuing the discussion on the issue that is raised in the last bullet point in Maureen's conclusions: that the issue of naming suspect farms has to be examined. Darn right it needs to be examined. We need to answer that question and the others.

Maureen made a good point about the Hudghton report. We should note our thanks to Stewart Hudghton and his colleagues, who did a lot of helpful work on the matter in the European Parliament. We should ask the Executive whether, if Europe helps in making infectious salmon anaemia and viral haemorrhagic septicaemia compensatable diseases, the Executive will be able to support that.

With regard to Maureen's last point on VHS, there is an aquaculture and salmon processing business in Ross-shire that is concerned that the VHS regulations would be as bad for its business as the situation with ISA is. I think that the report should suggest measures that should be in place to avoid problems developing.

Maureen Macmillan: I know that firm. When I come to give my full report, I will show you a video that the company, Aquascot, has given me about the importance of the white fish aquaculture industry. I agree that we need to consider the VHS regulations carefully.

Ms MacDonald: I presume that Maureen has to come down on one side or the other on the issue of eradication or containment. Containment implies that if infestation is proved, the farm will not be wiped out. How much compensation would be paid in that case? Compensation becomes very important if the strategy is eradication. Does not containment imply something different?

Maureen Macmillan: Yes, it does. If someone had to eradicate their whole stock without compensation, they would be virtually bankrupt. If the policy were containment, compensation would not be such a big issue.

Ms MacDonald: I simply want to ensure that we get this right. This is deep water.

The Convener: I can see that this is beginning

to shape up as a perfect Saturday night for Margo—a bottle of Beaujolais, a salmon supper and a video to match. What more could she ask for?

Maureen Macmillan: There must be some controls on the disease to ensure that it does not spread to the wild salmon population.

Ms MacDonald: It would wipe out the wild salmon, because there would be no means of containing its spread.

The Convener: I would like Maureen to deal with the specific issues that Tavish Scott raised. Should we at least ask the Executive about the Norwegian method of dealing with ISA? Will you reflect on that?

Maureen Macmillan: Yes. I presumed that when I presented my report the committee would reflect on that issue and that I would take on board what the committee felt, instead of recommending something myself. However, if you would like me to do that, I will.

The Convener: Could you consider the points that have been made, so that we do not lose sight of them?

Maureen Macmillan: I support everything that Tavish Scott has said.

Dr Jackson: Many issues, such as containment versus eradication, emerge from this report. Maureen makes a number of important points. For example, she points out the dangers of a farm being suspected of having ISA and that becoming publicly known. Other key issues that she mentions are compensation and vaccines. I am more interested in what should be done at the next stage.

We have already talked about the possibility of reaching conclusions on this issue. I have approached the institute of aquaculture at Stirling University, which is an important part of the academic scene in this area, and have been told that its expertise is different from that of the Marine Laboratory in Aberdeen. If Maureen has not consulted the institute already—I assume that she has not, because it is not mentioned in the report—it might be worth her discussing the draft report with it so that she can firm up her position on some of the issues that Margo MacDonald and other members have raised.

This may simply be my ignorance, but from debates in the chamber I had gathered that a caging mechanism was used. I do not think that that was terribly clear on the second page of the report.

Maureen Macmillan: The fish are contained in cages. I am meeting the professor of aquaculture at Stirling University in about a fortnight's time. I

was unable to arrange a meeting with him earlier.

Allan Wilson: In her report Maureen states:

"Despite, the proven lack of danger to humans, mentioned above there is a danger of consumer confidence in the salmon industry falling—previous food 'scares' mean that the public need educated that there is no risk from ISA".

That is a fairly definitive statement. It is based on the claim, made on the first page of the report,

"that the Virus can not survive at temperatures above 25 degrees centigrade",

which

"leads to the conclusion that the virus itself poses no risk whatsoever to human health".

I do not know enough about this, but presumably that means that the virus can survive at temperatures below 25 deg C and is therefore present in salmon products that have not been treated to eradicate it. That would seem to be an obstacle to restoring consumer confidence.

The report seems to be written from the producer's point of view. I can understand the reasons for that, but perhaps greater weight could be given to the consumer interest. The best way of strengthening the position of the producer is to restore consumer confidence in the product, if that has been damaged.

I can see the obvious parallels with Norway, but are there no salmon producers in the European Union who are subject to the same controls as we are? Do they deal with the disease differently? You refer in the report to Canada, but you give no indication of how Canadian producers deal with ISA.

Maureen Macmillan: I cannot remember how the disease is dealt with in Canada. Tavish Scott might know that.

Tavish Scott: Basically, the same method as is used in Norway.

Maureen Macmillan: I think that an attempt is made to manage the disease. Ireland has an aquaculture industry, but it has not had an outbreak of ISA. I should point out that the report is about the impact of these diseases on the aquaculture industry—it is not about health. However, even if someone ate raw salmon, the heat in their stomach would destroy the virus.

15:15

Ms MacDonald: Think what it is doing to the Japanese.

Maureen Macmillan: I have been to Japan and eaten raw fish. I am not scared.

Irene Oldfather: I would like to pick up on the

point Allan Wilson made about increasing consumer confidence. Maureen Macmillan says in her report that the disease has no effect on humans. In my first question I mentioned the Food Standards Agency, which would be the right body to address this issue. The Food Standards Agency is independent of the producers and has the job of protecting consumers. If it were to take a view on this, we could adopt a more confident position in the report and allay consumer fears. Perhaps we should think about consulting the FSA.

Cathy Jamieson: I will not be able to take up Tavish Scott's offer of salmon sausages because I am a vegan—I do not eat any animal produce. I would hesitate to say something that led to headlines such as "MSP starts veggie scare", but some of the stuff on the vegetables we eat would be as frightening to Irene Oldfather as the stuff that is found in animal produce.

I am a wee bit concerned that we are using this report for a purpose for which it was not designed. Although I am always conscious of the importance of ensuring food safety, I understand that the report was intended to deal with particular issues. I have no problem with considering some of the food safety issues that arise from this, but I would like to ask Maureen Macmillan about eradication versus containment. In the report you say that the efficacy of the vaccine is still to be proved. Does that mean that at the moment there is no vaccine? Is one being developed or is one likely to be developed?

Ben Wallace: As far as I can tell, there is no consumer problem with salmon. If we start talking about that and the Food Standards Agency, we will create a health scare that does not exist at the moment. This report is about the effect on the fish-farming industry. I do not know very much about fish, but as I understand it ISA poses no danger to the consumer. We should leave the safety issue well alone. If the salmon were not safe, I would expect the Health and Community Care Committee to have heard about it, and it has not. I ask Maureen to confirm that there is no danger in humans eating salmon.

Maureen Macmillan: There is no danger in eating salmon; it is not a health risk. The problem is that we get headlines such as "Killer disease affects another salmon farm" and Tesco buys Norwegian salmon—which contains at least as much ISA, although it is not perceived as being infected—instead of Scottish salmon.

There is no vaccine at the moment, but people are working on one. Now that a vaccine could be used, the scientists will work on it pretty hard, although concern has been raised that an effective vaccine will not be produced, or that too many vaccines are being used on fish. However, that concern is anecdotal rather than scientific.

The Convener: Thanks, Maureen. Several valuable points have been made, which I am sure you will reflect on. We look forward to your final report.

Reporter (Terms of Reference)

The Convener: The next item on the agenda is the proposed terms of reference for the report from Ben Wallace on enlargement of the EU and the challenges and opportunities that face Scotland. It has been suggested that a correction needs to be made. Caroline Boyle works for the European Commission in Edinburgh, not for Scotland Europa, as is indicated in the document.

Tavish Scott: Do we have copies of the document, convener?

The Convener: They should have been circulated.

Ben Wallace: They have all been distributed. I was about to say that, as copies of the document have been circulated and read, there would be no need for me to read it.

Ms MacDonald: You do not need to read it, Ben.

Ben Wallace: The enlargement of the European Union is a huge topic. Some 11 countries are applying for membership, of which six will come in the first wave. Because of the size of the issue, I am conscious that our investigation must be relevant to Scotland: we must focus on what we can influence, so that we do not waste time by wandering into areas that do not concern us, or which Westminster should be considering.

Many other reports have been, and are being, conducted into EU enlargement as it affects Scotland and the UK. The House of Lords completed such a report last year—I have notes on it—and numerous others continue. I am concerned that we should not contradict or duplicate existing work that may be relevant to Scotland.

My submission contains the background to the issues. It lays out the candidate countries and concentrates on the first six, as they hope to accede to the European Union between 2003 and 2005 and will affect what happens in Scotland regarding European structural funds.

My main concerns are listed on page 2 of the document, under the heading "Specific plans". The EU will push towards the east and many of the former eastern bloc countries. That will have an effect on the geographic axis of Europe. We need to examine that, as it will affect the way in which Scotland fits into Europe geographically. There will be a shift towards Berlin and the Baltic side of Europe will be opened up for Scotland.

Demands will be made on institutions. Point 2 in the same section of the document questions how the knock-on effect of those institutional changes

in Brussels will affect the UK and, perhaps, institutions in Scotland. The judiciary will also be affected; we have already seen how the implementation of the European convention on human rights affects us.

Point 3 concerns economic implications and European aid. Point 4 addresses the basic business opportunities of investment in Scotland and the implications of a bigger market that our producers and businesses will be able to exploit. Changes to structural funds are addressed in point 5. We are all conscious that 2006 will be a big deadline for us in Scotland, and there will be even more pressure.

Point 6 is important. There are many requirements for entry into the EU. Increasingly, I am discovering that many of the applicant countries are asking for exemption from the rules. Irene Oldfather will be aware of that in the context of social and employment policies. Will those countries want all the benefits of the EU without taking on all the responsibilities at the same time? That is a quite important point, as we could be in positions of unfair competition. I shall expand on that in the project, rather than now.

Point 7 focuses on social reforms. Many of the applicant countries, especially those in the east, have a communist past, so the social ethos in employment and health care is very different. They are also undergoing changes. For example, Poland has just introduced a private health care system, which has taken it from one extreme to another. That sort of change will be an issue when we address EU directives, new formalisations and the employment policies that are increasingly coming out of Europe, in line with the Amsterdam treaty.

Assessing the way in which enlargement of the EU will affect the common agricultural policy will be a big project in itself. Implementation of that policy continues even in the member states. A country such as Poland, which has a population of nearly 39 million, represents a big agricultural producer that is joining the EU and will shift the axis—not geographically, but in farming. At the moment, France dominates the common agricultural policy, but Poland's entry will change that. The common agricultural policy alone is a big issue, so I shall investigate that change in the context of the immediate impact that it will have on Scotland.

Those are the eight points that I shall address. I shall try to keep my report as concise and relevant to Scotland's concerns as possible, focusing on ways in which we can influence the situation.

Under the heading "Organisations to be consulted", hundreds of people could be chosen for consultation. I have already met some of them.

I took advantage of the fact that they happened to be in Scotland. I met the ambassador of Slovenia and the consul general of Poland, who is happy for the ambassador to come here to meet us. If the committee can suggest anyone else we should invite, I would be happy to include them.

We should invite the academics from the University of Edinburgh: not out of bias towards that university, but out of consideration of costs and because Alice Brown is holding a conference on EU enlargement at the moment, which would be particularly relevant. I shall also make available to the committee a UK white paper on enlargement, which was published in March.

The project is pretty substantial, as members will appreciate. I shall try to limit travelling as much as possible. I have already taken advantage of visits to Scotland by dignitaries from other countries. A trip to Brussels would be useful; however, I have kept travelling to a minimum, as is requested in the guidelines.

The European project teams will give us clues as to what countries want exemptions in the process of EU enlargement. For example, Poland wants to extend one of its deadlines for an environmental measure by 12 years, which would have an impact on how enlargement might progress. It is difficult to get hold of such information, and a trip to Brussels may be needed to consult the project teams on what exemptions are being negotiated.

I would be happy to take on board any other suggestions from members of the committee.

The Convener: Thanks very much, Ben.

Dr Sylvia Jackson: My daughter hopes to write a dissertation on only a small section of this issue. The obvious question is: "Do you think you can cope with all this?" I have experience of conducting research into sustainable development; I think that compiling this report will be a huge task. I was going to suggest that you phase the work; however, if people were to come here, you would want to ask them several questions on the whole subject. What do you think about the scale of your task?

Ben Wallace: I have been quite lucky, in that a lot of the data have already been collected. For example, the *Financial Times* has published supplements on the impact, over several months, of economic, social and environmental reform on some of the member states. It published one recently on Poland, which helps to draw the picture together.

I have underlined the need for focus. As long as I keep the report focused, it will be achievable. If I wander off into consideration of issues over which Scotland will have no influence, I would probably

be here in the next decade. A researcher works with me who studies European matters full time, which helps.

Ms MacDonald: Going back to salmon again, is Trevor Salmon still at St Andrews? I do not know whether he has been eradicated or contained. [Laughter.] Alice Brown is just up the road, but St Andrews was the first Scottish university to have a European unit.

Instead of going to the Department of Trade and Industry's enlargement unit, it might be interesting to talk to someone from the Italian equivalent. It might be nice to draw comparisons with Calabria, for example, as to how comparable European units will cope with the difference in agriculture policy that will come about because of Poland, and possibly Cyprus, coming in. I wish the people involved in this work well—God bless all who sail in her.

The Convener: Do members agree to approve the terms of reference in the draft that Ben has prepared?

Members indicated agreement.

Convener's Report

15:30

The Convener: There are a number of points to cover. We have skirted around a European strategy on drugs. For us to invite someone from the Commission over and meet the expense of that visit, we must formally approve the suggestion that we hold a meeting about drugs. The Parliamentary Bureau must then approve that suggestion. I recommend that we invite a representative from the European Commission to a future meeting to discuss the European Union's drug strategy. Is that agreed?

Members indicated agreement.

Ms MacDonald: The timing of such an invitation will be important. I hope to secure a debate on drugs before the summer recess. Bruce Crawford may be able to refresh my memory as to which days in the chamber have been allocated to SNP business.

Bruce Crawford: Right now?

Ms MacDonald: I do not have a clue when they are.

Bruce Crawford: I am afraid I cannot remember.

Ms MacDonald: They are some time in May, I think. One of them will be while the Parliament is meeting in Glasgow.

Bruce Crawford: That is right, but I cannot remember whether it is in the first or second week in Glasgow.

Ms MacDonald: I just wanted to inform members that I still hope to secure a debate on drugs.

The Convener: We have agreed to proceed with the invitation and to make the necessary arrangements.

We have spoken about examining the Commission's forward work programme and trying to identify early in the new presidency of the European Council what its priorities will be. I propose to invite a representative from the French embassy to brief the committee on the priorities of the French presidency, which follows Portugal's. Is that agreed?

Members indicated agreement.

The Convener: We have had a response from the Transport and the Environment Committee on the European car-free day. It agrees that we should write to the Convention of Scottish Local Authorities and to the Scottish Executive seeking

their views. So that this does not drag on and on, I suggest that we simply send that committee's recommendation to COSLA and to the Executive for their attention, asking them to take matters forward as appropriate. Is that agreed?

Members indicated agreement.

The Convener: The closing date for changes to the assisted areas map is today. I have had a letter from Clackmannanshire Council, whose submission is for a small technical alteration to the boundary that has no implications for any other area. I realise that several members may want to comment, but at this late stage we cannot reopen the debate on assisted areas, which is a reserved matter. However, I recommend that we ask the Scottish Executive to reflect any local wishes that have no consequential effects on other areas of Scotland. That would allow for technical amendments such as the one suggested by Clackmannanshire Council, which we shall send to the Scottish Executive and the Secretary of State for Scotland. We shall send that today.

Bruce Crawford: I realise that it is difficult to go back in time to unpick what has already been done. Fergus Ewing and others have tried to lodge emergency motions in the chamber to discuss issues relating to the Highlands. There is a specific case in Clackmannanshire which I do not think conflicts with any of the rules and regulations put down by the Commission, or with any interpretation of those rules by the Secretary of State for Scotland or by the DTI.

The proposed amendment concerns the Carsebridge business and industrial site in Clackmannanshire. The council has, rather cleverly, supplied me with copies of a map, which I shall circulate to committee members. It gives an idea of what the council is talking about. May I circulate them?

The Convener: By all means, but I do not want to get involved in a detailed discussion about specific areas. As I said, councils can put a case for technical adjustments to boundaries in their areas and we can ask the Scottish Executive and the Scotland Office to reflect those local wishes where possible, for cases that have no consequential effect on other areas. My understanding is that the Clackmannanshire case has no wider implications elsewhere. Unfortunately, I do not have enough detail to discuss it in depth, so we are at a disadvantage.

Bruce Crawford: I realise that, but people from Clackmannanshire are here today, so it would be useful to outline briefly some of the issues affecting the Carsebridge business and industrial site. It is the site of the largest private sector employment location in Clackmannanshire, with around 500 jobs. It is the location for phase 8 of

the Alloa business centre and construction work is already under way on a £3 million contract. That development could generate 200 jobs. Alloa business centre will offer the main opportunity for small and medium enterprise development in the area.

I realise that it is difficult to comment on specifics when writing to the Secretary of State for Scotland or to Mr McLeish at the Scottish Executive. However, there is a specific issue in the Clackmannanshire case, which will not create any difficulties. So long as it is done through a proper technical amendment, it should not impact on the competence of the proposed map.

The Convener: I believe that Clackmannanshire Council has already presented its case directly. Are you suggesting anything different to what I have proposed? I suggested that the Scottish Executive and the Scotland Office should as far as possible reflect local wishes where there is no consequential effect for other areas of Scotland.

Bruce Crawford: I am not sure whether members know of other cases, but I know of no other case that involves a technical amendment.

The Convener: We are not all privileged to have detailed knowledge about this case. Rather than address specific local cases, I suggest that we try to establish the principle that, if a technical amendment is needed that has no implications for another area, a local council's proposals should be reflected as far as possible by the Scottish Executive and the Scotland Office. We would then avoid getting caught up in commenting on things that we do not have sufficient information about.

Bruce Crawford: I understand the difficulty, but it would be nice to draw attention to specifics and to give an example in the letter.

Dr Sylvia Jackson: This debate is not too dissimilar to the one about European funding that we had early on. At that time, my constituency was in quite a bad situation. When I asked, I was told that this committee was not the place for talking about individual cases; it was only for making general points.

I am very supportive of Clackmannanshire, which is close to my constituency. However, I feel that there should be a ruling about the way in which we conduct business of this type.

Euan Robson (Roxburgh and Berwickshire) (LD): I am content with what has been said. If there are technical amendments, as proposed by Scottish Enterprise Borders and the Scottish Borders Council, they should be taken on board. The situation there is similar to the one in Clackmannanshire. Obviously, it is too late to argue the case for major changes, but if the committee is minded to encapsulate what has

been said, that would help us considerably. If you were minded to take a second example outside Clackmannanshire, the situation in the Borders is much the same—a key area has been excluded. Minor technical changes can bring those areas back in, at no particular difficulty to anyone.

Thank you for allowing me to be here and to listen to your proposals.

Cathy Jamieson: I wish it could be as simple in all instances as Euan Robson suggests. I accept the point that the convener and Sylvia Jackson have made that this is not the place for going into a detailed examination of what has happened with the assisted areas status map. However, I would be failing in my duty if I did not say that huge changes have been made, especially in the Cumnock and Doon Valley, by the exclusion of almost all the former coalfield communities. At no point had that ever been suggested as an option. It has come from nowhere; there has been no consultation. A simple technical amendment will not resolve that problem. As constituency MSP, I have made forceful recommendations as to how things ought to be done. I hope that this will not be repeated in future, with fairly minor adjustments made in some areas, but huge and fundamental differences made right across the whole of the Ayrshire coalfield community. I am at a loss to see how it can be justified.

Maureen Macmillan: My feelings are much like Cathy Jamieson's: the exclusion of two Highlands and Islands local enterprise companies was unexpected and a bitter blow. The assisted areas scheme had been expected to bring jobs into the area affected by the downturn in BARMAC, but that will not now happen. We have 1 per cent of the population of the United Kingdom, but we have taken 28 per cent of the hit. We do not have any technical amendments at our fingertips, because the decision came out of the blue.

I want to record that we in the north feel devastated by what has happened. I appreciate, from what you have said, convener, that we cannot say that we want to reverse the decision and that we want it all back, because that would affect other areas in Scotland. However, I hope that we can have discussions with the affected areas to see whether we can get a better formula than the one that we have been given.

Allan Wilson: I agree with what Sylvia Jackson and Cathy Jamieson have said about this not being the place for discussing individual cases, but the problem that Cathy has outlined is completely different from the one that Maureen Macmillan has outlined. When we considered this at the outset, we agreed on a ward-based approach. The difference between having a ward-based approach and the European Commission's preferred approach of NUTS 2 was that for every winner,

there would, consequentially, be a loser.

The losers were mainly in NUTS 2 areas such as East Ayrshire and North Ayrshire, which forwent regional assistance so that other areas that would not have qualified did qualify. There has always been a trade-off; but the trade-off was between having a ward-based approach and a NUTS 2 approach that was based on the local authority areas as a whole. Those principles are worth restating at the same time as we restate some of the so-called technical adjustments that are required. As a constituency MSP, I suggested some technical adjustments in advance of this process starting.

The choice was not between one ward and another: the choice was between a ward-based approach and a NUTS 2 approach based on local authority areas. North Ayrshire and East Ayrshire lost out as a consequence, in order that other areas that would not have qualified under NUTS 2 got the advantage. If gross domestic product was the only criterion for qualification, East Ayrshire and North Ayrshire would have been eligible for objective 1 status. We are talking about deprived areas, in need of economic regeneration, forgoing assistance in order to give the Clackmannanshires and the Highlands of this world secured status.

15:45

The Convener: I do not want to go back into the principles. We have already agreed them. Sylvia Jackson asked about the best way of dealing with this kind of issue. Constituency members should make their representations for their areas directly; this committee should, as Allan has suggested, address the principles. Without mentioning any particular area, the principle that I would put forward is that, where possible, local wishes should be reflected when there is no consequential effect for any other area in Scotland. In that way, we would reinforce the views that individual MSPs and local councils have been putting forward. If we put that principle forward today, I hope that it will be taken into consideration.

Ben Wallace: We do not know where the change to the map came from. No one knows whether it came from the Department of Trade and Industry, the Executive or the European Commission. When we were discussing the assisted areas map and the objective 2 map, the minister clearly said that he wished them almost to be mirrored. If we could find out where the change had come from, we could ask the minister to ensure that any changes to maps are not mirrored. That is something that we could do to try to help the next round. Some of the areas that have lost out in the changes to the assisted areas map may still manage to get some objective 2 funding. If the

objective 2 changes mirror the assisted areas changes, they will get nothing.

The Convener: We should have another opportunity to discuss objective 2, so I do not want to open up that debate just now. Do we agree on the recommendation?

Members *indicated agreement.*

Scrutiny

The Convener: We move on to the scrutiny of documents. The recommendation for the following documents is that no further action be taken, but that a copy be sent to the specified committee for interest:

SP 896 (EC Ref No 6669/00 COM(2000) 105)

SP 904 (EC Ref No 6914/00 COM(2000) 88)

SP 905 (EC Ref No 6915/00 COM(2000) 87)

SP 906 (EC Ref No 6716/00 COM(2000) 79)

SP 907 (EC Ref No 6732/00 COM(2000) 113)

SP 908 (EC Ref No 6868/00 COM(2000) 120)

SP 909 (EC Ref No 6814/00 COM(2000) 123)

SP 910 (EC Ref No 7083/00 COM(2000) 134)

SP 938 (EC Ref No 7213/00 COM(2000) 146 2000/0063 (ACC))

SP 949 (EC Ref No 7014/00 COM(2000) 125)

SP 952 (EC Ref No 7298/00 COM(2000) 144)

SP 954 (EC Ref No 7292/00 COM(2000) 165)

SP 955 (EC Ref No 6714/00 COM(2000) 79)

SP 959 (EC Ref No 7589/00 COM(2000) 121)

SP 960 (EC Ref No 7595/00 COM(2000) 140)

Is that agreed?

Members *indicated agreement.*

The Convener: For the following documents, the recommendation is that no further action be taken:

SP 897 (EC Ref No 6629/00 COM(2000) 77 (Vol I,II,III))

SP 902 (EC Ref No 6978/00 COM(2000) 130)

SP 903 (EC Ref No 6990/00 COM(2000) 127)

SP 911 (EC Ref No 6782/00 COM(2000) 93)

SP 912 (EC Ref No 6849/00 COM(2000) 124)

SP 913 (EC Ref No 6117/00 COM(2000) 103)

SP 914 (EC Ref No 14281/99 COM(1999) 590)

SP 916 (EC Ref No 6039/00 COMIX 150)

SP 917 (EC Ref No 6303/00 Report No 7/99)

SP 918 (EC Ref No 6710/00 Report No 2/2000)

SP 919 (EC Ref No 6797/00 COM(2000) 133)

SP 920 (EC Ref No 5957/00 COM(00) 50)

SP 921 (EC Ref No 7012/00 COM(2000) 129)

SP 922 (EC Ref No 6938/00 COM(2000) 131)

SP 923 (EC Ref No 6981/00 COM(2000) 86)
 SP 925 (EC Ref No 2064/00)
 SP 926 (EC Ref No 5799/00 COM(1999) 658)
 SP 927 (EC Ref No SEC (99) 1973)
 SP 930 (EC Ref No 6220/00)
 SP 936 (EC Ref No 7217/00)
 SP 937 (EC Ref No 7072/00 COM(2000) 147)
 SP 941 (EC Ref No 7401/00 COM(2000) 164)
 SP 945 (EC Ref No 7332/00)
 SP 951 (EC Ref No 7410/00 COM(2000) 161 AVC
 2000/0061)
 SP 958 (EC Ref No 7569/00 COM(2000) 183)
 SP 934 (EC Ref No 7038/00)
 SP 935 (EC Ref No SN 2436/00)
 SP 940 (EC Ref No 7383/00 6813/00)
 SP 928 (EC Ref No 11636/3/99)
 SP 929 (EC Ref No 7046/00)
 SP 932 (EC Ref No 7615/00 COPEN 25)
 SP 933 (EC Ref No 7760/00 COPEN 27)

Is that agreed?

Members *indicated agreement.*

David Mundell: I would like a copy of document SP 902. The e-Europe programme, which was exhibited during our visit to the European Commission, is clearly one of the most important that it is currently embarked on. In due course, this committee should take a greater interest in it, especially as the Scottish Executive will be responsible for implementing many of the proposals.

Members may have noticed that I have asked a number of parliamentary questions recently. The answers have indicated that the Executive may not be in a position to implement the proposals. For example, the Executive does not keep a record of how many schools are connected to the internet, but there is an e-Europe objective of every school being connected. This committee should take an interest in that. The whole e-Europe programme should be considered in more detail by the committee.

The Convener: There is no problem with individual members getting copies of any of these documents from the clerk. David Mundell is absolutely right about e-Europe, which figures in the Commission's forward work programme. Parliament is also considering it. We will inevitably come back to it.

Ben Wallace: Document SP 944 is not listed

here, but it is among our documents. It deals with the European Court of Auditors report on agriculture and the FAIR programme. The report says that the FAIR programme has been badly managed, and I believe that we should refer the document to the Rural Affairs Committee for comment.

The Convener: Do we agree to send that document to the Rural Affairs Committee for their interest?

Members *indicated agreement.*

The Convener: There will be no meeting next week. Thank you for your attendance.

Meeting closed at 15:51.

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