

MEETING OF THE PARLIAMENT

Wednesday 10 November 1999
(*Afternoon*)

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Scottish Parliament

Wednesday 10 November 1999

(Afternoon)

[THE PRESIDING OFFICER *opened the meeting at 14:30*]

Time for Reflection

**The Most Reverend Keith Patrick O'Brien
(Archbishop of St Andrews and Edinburgh):**

My dear sisters and brothers, may we all seek to serve the people of Scotland with love and integrity.

We place ourselves in the presence of God as we commend our activities to our creator.

God be in my head and in my understanding,
God be in mine eyes and in my looking,
God be in my mouth and in my speaking,
God be in my heart and in my thinking,
God be at mine end and at my departing.

The God who fills our lives speaks through his word. Let us listen to that word.

As the Father has loved me, so I have loved you. Remain in my love. If you keep my commandments, you will remain in my love, just as I have kept my Father's commandments and remain in his love. I have told you this so that my own joy may be in you and your joy be complete. This is my commandment, love one another as I have loved you. A man can have no greater love than to lay down his life for his friends.

For us, the laying down of our lives is not the extraordinary act of martyrdom but the daily forgetfulness of ourselves and our own desires to be of service to our sisters and brothers throughout this our land.

That we may be faithful to our commitment of service, let us pray.

Father in heaven,
source of all life and goodness,
we thank you for this land of ours,
which we are privileged to serve.
As it is entrusted to our care,
teach us to cherish it and all that it contains.
Make us sensitive to the needs of its peoples,
make us tolerant of each other's differences,
make us merciful to those who are in need.
Help us foster respect for human life,
help us to be true to our traditions of education,
help us to love one another sincerely.
May we always know your presence,
may we always dwell in peace,
and may we hand on to succeeding generations
a land worthy of you.
We ask this in the name of Jesus the Lord. Amen

Let us sum up this and all our prayer in the great prayer Jesus taught us.

Our Father, who art in heaven, hallowed be thy name.

Thy kingdom come. Thy will be done on earth as it is in heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For thine is the kingdom, the power and the glory, for ever and ever. Amen

May the Lord bless you and keep you.

May the Lord let his face shine on you and be gracious to you.

May the Lord show you his face and bring you peace.

May almighty God bless you,
the Father, the Son and the Holy Spirit. Amen.

Homelessness

The Presiding Officer (Sir David Steel): Our next item of business is a statement on homelessness by Ms Wendy Alexander. The minister will take questions at the end of the statement, so there should be no interventions during it.

Fiona Hyslop (Lothians) (SNP): On a point of order. Following the point of order last week about Executive ministers pre-announcing statements that are coming to the chamber, the Minister for Communities announced a £20 million package for homelessness on the radio this morning. Will you give an opinion on whether that was appropriate?

The Presiding Officer: I regret to say that I heard that interview this morning. While it is fine for ministers to trail proceedings of the Parliament on the radio—that is a regular procedure—when I heard that the figure of £20 million was to be announced to the Parliament, I was a little taken aback. As I said last week, it is a matter for ministerial judgment, but we would prefer to hear announcements in the chamber first, rather than on the radio.

Bill Aitken (Glasgow) (Con): On a point of order.

The Presiding Officer: Is it the same point of order?

Bill Aitken: It is. Given that this is at least the second time that this matter has had to be raised by you in this chamber, will you undertake to raise the matter with the First Minister, as this is an intolerable state of affairs?

The Presiding Officer: The First Minister and I meet from time to time.

The Minister for Parliament (Mr Tom McCabe) rose—

The Presiding Officer: Tom McCabe, do you have a point of order as well?

Mr McCabe: I wish to provide some clarification. Two points of order have been raised. It is a pity that the members concerned do not fully recollect previous announcements. The amount of money that has been mentioned was announced previously to this Parliament. I am sure that the Minister for Communities will make that clear when she speaks.

The Presiding Officer: Let us hear the statement.

14:37

The Minister for Communities (Ms Wendy Alexander): Let me make one observation. We had a debate in the chamber on 16 September,

during which I announced that we were increasing the previous allocation of £14 million to £20 million, and that I would come back to the chamber to explain how that money would be spent. That is what I am doing now; I did not move one iota beyond that in saying to the press that that was what we were doing today.

There are a number of items in my statement—mindful of the guidance that we received last week—that will be news to the chamber. Of course, the Opposition has had pre-access to the statement and is therefore aware of its contents. I will now move on to my statement.

I am pleased to have the opportunity to bring to the Parliament my proposals for the next phase of the rough sleepers initiative. Since 1997, we have directed £16 million to projects that address the problems of those who live on the streets, under bridges and in disused buildings in the cities and villages of Scotland. We targeted the first tranche of money at those whom we knew, or thought we knew, were sleeping rough. It was important to get the first projects started because that would bring people in from the cold.

Many of the early projects were about outreach and street workers, but from the outset we knew that we needed to understand the issues better and to have work carried out at grass-roots level, so we set up a research project to evaluate what we were doing and to inform us on how the initiative might be taken forward. That was the inheritance that my ministerial colleagues and I in the communities team inherited in May: £16 million already allocated and new research just about to arrive.

It was on that basis that we chose to highlight in the programme for government that our pledge above all others was that by 2003 no one should have to sleep rough in Scotland. As everyone working in the field acknowledges, that is an ambitious goal and one with which we are proud to associate ourselves. Today, I am announcing the next phase in making that pledge a reality. I am inviting local authorities and their partners to bring forward proposals to spend a further £20 million in the next two years.

Crucially, the evaluation report that we are publishing today gives us the evidence to target the new investment at the heart of the problem. First and foremost, the evaluation tells us that many more people across Scotland than had previously been estimated have had the experience of sleeping rough. As many as 8,000 to 11,000 people in Scotland sleep rough during a year. They are not necessarily people who have no accommodation; they are people whose access to accommodation is so precarious that at times it is necessary for them to sleep in the open. In many cases, they will be the same people who

stay for brief periods in hostels, or in other forms of temporary accommodation provided by local authorities, voluntary organisations, friends and family.

Overwhelmingly, such people have been connected with the housing, social work or health services at some time. What the research tells us is that they slip through the net. Whatever solutions are available to them are not enough or are not sufficiently co-ordinated to give them the help they desperately need.

As is true of us all, rough sleepers have a complex cocktail of personal circumstances, although they are invariably more complex for rough sleepers than for most of us. That complex cocktail of personal circumstances goes well beyond housing. One in three rough sleepers surveyed had alcohol problems, one in three had a drug problem, one in four had a physical health problem and one in five had a mental health problem.

The message is that Scotland's rough sleepers need support to address their health needs, addiction issues and accommodation problems. Unless we can offer help on all those big issues—health, housing and addiction—the greatest risk is that people will quickly find themselves sleeping on the streets again.

The research shows how comprehensively we fail those for whom the state purports to care. One in four rough sleepers has been in local authority care, four in 10 have done time in prison, more than one in 10 have been in long-term care in hospitals and more than one in 10 have been in the armed forces. Quite simply, we have comprehensively failed those people as they have moved from our care into independent living.

The overriding message to us, Scotland's new legislators willing and anxious to solve the crisis of rough sleeping, is simple: provide the right support at the right time. That means support not just in a time of crisis, when the personal, social and financial costs are high, but Scottish support services available at the point where they are most needed, before the street becomes the only option. Above all, it means vital services in hostels and day centres not a bus ride across the city and not just during office hours. It means a package of support that addresses the whole person—sustained for as long as it is needed—because the cost of failing is a cost that we all bear.

Making that happen will depend on teamwork. I am delighted that the Minister for Health and Community Care and the Minister for Justice have agreed to involve formally the health and justice departments in the next phase of the rough sleepers initiative. We will examine the co-ordination of health and social work services with

the provision of accommodation, the provision of advice and support for ex-offenders on their release from prison, the availability of alcohol and drugs detoxification and rehabilitation services for homeless and roofless people. We will consider how best to ensure that rough sleepers receive accessible health care.

In the guidelines I will issue today, local authorities are being invited to develop proposals that will make those connections on the ground. I have increased the budget by 40 per cent—to £20 million—to help them do that. A sum of £2 million will go to fund projects that address the full range of rough sleepers' needs and provide integrated, supported accommodation with some support services on site.

I am targeting authorities that have not yet developed strategies for addressing the problems of rooflessness in their area. I am making available £2 million to ensure that rough sleeping is tackled throughout Scotland.

We need to intervene earlier to ensure that people move out of hostels into homes, rather than from hostels to the street. A sum of £2 million is therefore being made available for effective preventive measures, such as rent deposit schemes, which will reduce the number of people who reach the point of having to sleep rough. The remaining £14 million will be directed towards projects that further develop existing strategies for tackling rough sleeping, some of which will involve continuation funding for projects that were developed in the earlier stages of the initiative.

Both the national evaluation that I have discussed today and the recently published Glasgow evaluation suggest that there is a particular problem with the provision of services for rough sleepers and homeless people in Glasgow. Glasgow has one in eight of the households in Scotland, but one in three homelessness applications come from that city. The Glasgow evaluation study found that 60 per cent of rough sleepers were regular hostel dwellers, that almost half of them had some sort of accommodation ban from hostels in the city, that 65 per cent had held a tenancy that had failed and that 70 per cent had at one time been evicted from their hostel or other accommodation.

Those statistics paint a stark picture of how the present system is failing. It fails to accommodate people and it fails to support and protect people if they are provided with accommodation. I know that many rough sleepers find living on the streets less frightening than staying in some of the hostel accommodation that is available. Too often, the mix of people in hostels exacerbates the problem. The hostels are too large. Some of them house more than 200 people in the most unsuitable accommodation, and little more than a caretaker is

available. Hostels mix young with old, and the vulnerable with those who are most likely to prey on them, and little is offered by way of co-ordinated help and support. That system belongs to the past and we mean to change it.

No one could argue with the conclusion that the problem of rough sleeping is at its most acute in Glasgow. Jackie Baillie, as chair of the homelessness task force, and I have therefore decided that we must make special arrangements to ensure that the scale and nature of the problem in Glasgow are fully addressed.

Today, I am announcing that a high-level team is being set up to review the current efforts to tackle the problems of street homelessness in Glasgow. It will determine what more needs to be done to improve the provision of accommodation—particularly hostel accommodation—and of social and other support for people with complex needs, and it will make recommendations for action. I expect the review to be thorough and fundamental. The team must therefore take the necessary action. That will take time. It will have to form an early view on proposals for rough sleepers initiative funding that are due to be submitted from Glasgow in early January.

One of the issues that I expect the team to consider is the present state of hostels in Glasgow and what should be done to improve them. I am under no illusions. I know that some will need to be replaced, others upgraded and others simply improved. I want the team to advise on how that can best be achieved, considering all the options, including the use of private finance.

The team will report through Jackie Baillie's homelessness task force. It will be chaired by the Scottish Executive, and I am pleased to say that the following experienced people have agreed to take part: Margaret Vass of Glasgow City Council housing department; Rab Murray of Glasgow City Council social work department; Catriona Renfrew of Greater Glasgow Health Board; Ian Robertson of the Hamish Allan Centre; Margaret Taylor of the Glasgow Council for Single Homeless; Liz Nicholson of Shelter Scotland; Mel Young of *The Big Issue*; Suzanne Fitzpatrick of the University of Glasgow centre for urban studies; and Louise Carlin, the co-ordinator for the rough sleepers initiative in Glasgow.

The Executive is serious about its commitment to end by 2003 the need for anyone to have to sleep rough in Scotland. To make it happen, we are prepared to make the necessary commitment in terms of funding and the additional effort that will be needed and to ensure that the different strands of government are connected. I am confident that through the rough sleepers initiative, through the homelessness task force, through the efforts of the new Glasgow strategy group and

through the commitment of colleagues in other departments, long-term solutions can and will be developed. This is about the Parliament working in partnership with people at the sharp end across Scotland to make a difference. We can succeed.

Fiona Hyslop: I thank the minister for her statement. I am sure that she agrees that 11,000 rough sleepers are Scotland's scandal.

The minister confirmed that the £20 million is a re-release of announcements that have been made previously. Does she agree that she is in danger of recycling cash announcements? Furthermore, is she not in danger of recycling homeless people back on to the streets unless money is put into housing?

Only this morning, the Social Inclusion, Housing and Voluntary Sector Committee was told by housing professionals that the real problem of homelessness is found in the lack of affordable, accessible housing. The rough sleepers initiative advisory group—the minister's own group—said that

"the Rough Sleepers Initiative will quickly silt up if supported move on accommodation is not made available."

Can the minister offer concrete assurances that those who are taken off the streets are not simply recycled back on to the streets later through a lack of resources at the next phase?

Does the minister agree that councils need cash for housing, otherwise we will have not only recycled announcements but will be in danger of recycling our young people back on to the streets?

Ms Alexander: Fiona raises an interesting issue. I said in September that I was increasing the available money to £20 million. I talked to colleagues about whether it was appropriate to come back to the Parliament today to comment on four new aspects of rough sleeping that I thought the Parliament would want to know about.

First, we are releasing the most comprehensive evaluation ever undertaken of the nature of the problem in Scotland. Secondly, I am using that evaluation to identify for the first time the sort of bids for that £20 million that we are looking for. Thirdly, my statement referred to the extent to which colleagues in the Executive were anxious to be part of the solution to rough sleeping, having shared the outcome of the evaluation with them. Fourthly, I have identified a particular problem in Glasgow that we want to fix.

It is certainly true that I have not added to the money. I have come back to the Parliament to say, "Here's the research. This is how we want to spend the money." I deemed it appropriate to bring that to the Parliament's attention. Today, everyone out there will receive a letter that will invite them to bid for an extra £20 million.

On the general point about housing finance, Fiona knows that when the Minister for Finance made his statement a couple of weeks ago, I was delighted to welcome the £50 million increase in the communities budget line, which is where the additional £6 million has been found.

I want to make a completely non-sectarian point on the wider issue of housing investment, as it is incredibly important. I will focus on the Glasgow context, as that is what we have talked about today. Fiona knows that because the debt will come to central Government, we have the opportunity to borrow up to £1 billion to invest in that city's housing stock. We are interested in being involved in developing those proposals—that is where we should look for new resources for housing in Scotland.

The Presiding Officer: There are many more members who want to ask questions than are on the lists that were submitted beforehand. Short questions—and answers—will help to get us through as many as possible.

Bill Aitken: I am obliged to the minister for her statement and for the fact that it was released in advance.

Of the £14 million referred to in the minister's statement, how much relates to new beds in hostels? Does she accept that the report does not tell us anything that we did not already know, as it merely highlights the problem and the fact that this is a growing problem in respect of the scale and profile of the rough sleepers involved?

Does the minister accept that she is addressing the problem from the wrong perspective? While she refers to the problem of people departing hostels to go on to the streets, she does not deal with the real issue of people going from the streets to hostels and then not going anywhere. Much more attention should be paid to the fact that accommodation should be available to people after they leave hostels.

Ms Alexander: Those are two very pertinent issues. We are very concerned about what is happening in terms of waiting lists. Jackie Baillie's task force is examining that issue and I expect the Parliament to debate the conclusion of her findings next February. Rough sleeping is a microcosm of a much wider problem; I accept that absolutely.

Bill Aitken's second point was also valid. The question is how to move people on from hostel accommodation. This morning, I visited the Inglefield women's hostel in Glasgow and the Glasgow archdiocese project, which provides for damaged young people who want to move on to independent accommodation. We hope that some of the money that I outlined today will provide the kind of supportive housing that young people need as they move from a hostel setting into a fully

independent tenancy. The mechanism already exists in the form of scattered flats, but we need the support services to help transfer people from a hostel setting to a fully independent tenancy.

Robert Brown (Glasgow) (LD): I welcome the minister's statement on rooflessness. Should it represent only a partial solution, it is nevertheless welcome. Will the minister elaborate on the preventive measures that she outlined and the way in which the money will be targeted? Given the importance of Glasgow and the prominence of its drug and alcohol problems, will targeting strategies be directed towards Glasgow? Will that allow spending on associated projects that help people to get off drugs and alcohol? I would like some clarification on those points.

Ms Alexander: I thank the member for his question, which is very reasonable in the context of what we are trying to achieve. I mentioned that, from the basis of the evaluation, it is clear that we need to talk to colleagues in the justice department and the health department who have shown a great willingness to be involved in discussions about how to tackle the issue of rough sleepers.

As the member will know—although, perhaps, the rest of the chamber will not—we have been able to carry out the evaluation because of the support that we have received from the voluntary sector, which has a deeper understanding of the problem. We intend to meet the rough sleepers advisory group, which is led by the voluntary sector. We will bring to that a wider discussion of how support services are best provided. I do not want to anticipate the outcome of those discussions, but we will certainly report back on the matter.

Paul Martin (Glasgow Springburn) (Lab): I understand that the minister and her team have visited several homelessness organisations to discuss matters with homeless people and their representatives. Will she give specific details about the issues that have been raised by those organisations and individuals and how she intends to deal with them?

Ms Alexander: I would like to draw members' attention to the fact that the money that has been spent so far—the £16 million—is beginning to make a real difference.

I encourage members with an interest in this subject to visit the Cowgate day centre, which is a stone's throw from the Parliament building. I have visited the centre several times. The most interesting thing is that it provides a day centre facility that supports young and old people. In particular, it supports older people who have spent a long time on the street, are comfortable with their lifestyle, want to be in hostel accommodation

in the evening, but need a day care option. That is in stark contrast to the projects that we have been funding in Glasgow, such as the archdiocese hostel that we visited today, which is a highly supportive project for a very vulnerable group of young people taking the first step back into mainstream accommodation.

Mr Lloyd Quinan (West of Scotland) (SNP): I, too, would like to thank the minister for outlining where the money will go. Given the scale of the problem as revealed by the research, is the Executive's target date to end rough sleeping still 2003? More important, does the minister genuinely believe that that is a realistic target?

Ms Alexander: It is hugely ambitious, but it is worth it and we will do our best. We have not changed it.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I welcome the minister's investment and the recognition that she is giving to homelessness and rooflessness.

Glasgow has been highlighted as an area with major problems. Are there any areas in Lanarkshire where money will be invested?

Ms Alexander: All the Lanarkshire authorities have successfully bid for rough sleepers money. One of the aspects of today's statement that has been commented on less is the commitment that every area of Scotland should benefit from the rough sleepers initiative. A number of local authorities—I think eight—have not yet benefited. We hope that they will be beneficiaries of this £20 million. Lanarkshire has already played its part.

Fiona McLeod (West of Scotland) (SNP): The evaluation report indicates that the escalation in rough sleeping was closely associated with retrenchment in welfare provision, particularly in relation to young people. One in four rough sleepers has been in local authority care and the minister has admitted this afternoon to having comprehensively failed those vulnerable young people. Will the Executive therefore make strenuous representations to Westminster that it should abandon the proposed Department of Social Security transfer of resources to local authorities, which would remove 2,000 young Scottish care leavers from the benefits system?

Ms Alexander: As Fiona knows, a consultation is taking place about how we should best support this vulnerable group of young people, which the current arrangements have failed.

I will make three brief points. First, we have successfully halved youth unemployment in Scotland. That has reduced the scale of the problem. Secondly, this Administration is saying that it will create 20,000 modern apprenticeships for 16 and 17-year-olds, who have been among

the most vulnerable people to be affected. Thirdly, among that group of vulnerable young people there is universal acceptance of the need for a different approach and that is what the consultation is considering.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): In relation to young people leaving the care system, I perhaps have a slightly different view from Fiona McLeod, because I know that young people leaving the care system over the years have asked for a different set-up in relation to homelessness.

Given that the announcement concentrates on Glasgow and urban areas, could the minister outline that this initiative will also help rural communities?

Ms Alexander: Almost all the authorities that have not benefited so far from the rough sleepers initiative, largely because they have not submitted bids that deal with the problem, are in rural areas. We are now working with those authorities to ensure that all areas of Scotland benefit from this next round of funding.

Mary Scanlon (Highlands and Islands) (Con): I welcome the initiative and the recognition of people with mental health problems who are sleeping rough. Will the minister outline the arrangements to support that vulnerable group?

Ms Alexander: I think that that touches on the point that I made in response to Robert Brown. Today, we are saying that we fully acknowledge and recognise at the heart of Government that the health department and the justice department can contribute to solving this problem. We must make progress in partnership with the voluntary sector agencies, through the advisory group.

Pauline McNeill (Glasgow Kelvin) (Lab): According to Strathclyde police, about 1,500 homeless people are put out of hostels and on to the streets of Glasgow city centre from 9 am to 9 pm, which makes them especially vulnerable. Will the minister look into that matter, especially as she has announced today that a high-level team will examine matters in Glasgow?

Ms Alexander: One of the interesting features of my visit to the Cowgate centre in Edinburgh was the number of young Glaswegians who told me that one of the reasons they are in Edinburgh is that there is somewhere to go during the day. There are not so many places to go in Glasgow. That said, I have visited the Lodging House Mission in Glasgow, which provides an open-door facility from 8 in the morning until the afternoon. There is a lack of provision in that area.

Alex Neil (Central Scotland) (SNP): This report is the most comprehensive evaluation of rooflessness and homelessness. As Fiona

McLeod said, one of the major causes of homelessness is welfare retrenchment, particularly as it affects young people. I am not making a party political point. I hope that the minister will take this up with the Secretary of State for Social Security, send him a copy of the report and make representations to him about the need to look again at welfare rights for young people.

Ms Alexander: There is universal recognition of the very real problem of how we get the support package right for 16 and 17-year-olds who are completely dissociated from their families—in the traditional sense that we understand that word. A consultation is under way and, as has been shown in the chamber, there are very committed professionals on both sides of the debate about whether the personalised level of support that everyone says is necessary is best delivered via the DSS or via local authorities.

Dr Sylvia Jackson (Stirling) (Lab): I thank the minister for the excellent measures she has outlined today. I would, however, like her views on the concerns that have been raised by Shelter regarding the rights of homeless people to access accommodation, given the possibility of new social landlords through stock transfer.

Ms Alexander: I have made it clear in the chamber on a number of occasions that the Executive is determined to ensure that homeless people are not disadvantaged in any way by moves towards community ownership. The very opposite would be the case if we were able to deal with the problem of the large number of hard-to-let houses that are, sadly, too often those that are offered to people facing homelessness.

Dennis Canavan (Falkirk West): While welcoming the minister's statement, can I ask her for an assurance that the Executive will introduce or support legislation that will oblige the Scottish courts to take into account the financial and social circumstances of people who are threatened with homelessness through repossession because of mortgage arrears?

Ms Alexander: The Executive has indicated that it is anxious to support a bill, introduced by Cathie Craigie, to deal with those measures. We have also said that we feel it would be appropriate for the wider issue of tenancy law as it affects homeless people to be taken forward by the expert group that Jackie Baillie is chairing. That group is due to report to Parliament in February, in advance of the introduction of the housing bill.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): I welcome the involvement of the health department, which addresses one of the weaknesses of the rough sleepers initiative. Can the minister give us any more detail about how she will ensure the involvement of health services

at local level and what form that involvement may take?

Ms Alexander: I have already said that further discussions will take place centrally, involving the rough sleepers initiative advisory group. The guidelines that were issued to local authorities today invite them to work locally with partners to think about how they can provide a package of support services for people who face homelessness. Local authorities must take more responsibility for the type of support services that are offered in and around their hostels.

Mr Keith Raffan (Mid Scotland and Fife) (LD): I, too, welcome the minister's statement, particularly her announcement about preventive measures. Does she agree—or at least take on board if she cannot agree—that in addition to what she has announced, we urgently need extra resources for treatment and after care for alcoholics and drug addicts so that they do not end up in hostels, let alone on the streets? In other words, we need intervention at an even earlier stage.

Ms Alexander: All those matters are under consideration by ministerial colleagues.

Ms Margaret Curran (Glasgow Baillieston) (Lab): I welcome the minister's announcement, particularly as it relates to Glasgow, the needs of which have duly been recognised.

The minister announced research and the establishment of a review group. Can she give us an assurance that the review group, in considering hostel provision in Glasgow, will recognise the complexities of young people's needs? This issue is about not only accommodation, but packages of care. Will appropriate agencies, including the social work department, be involved in the delivery of that review?

Ms Alexander: I think that the high-level and strategic nature of the group that we appointed today, and the Executive's participation on it, means that we can look to the group to deliver the sort of high-level intervention necessary to get the co-ordination of services that we want between mainstream budgets.

Colin Campbell (West of Scotland) (SNP): Will the minister undertake to co-operate with the Ministry of Defence to prevent ex-service personnel becoming rough sleepers, thus nipping the problem in the bud?

Ms Alexander: I had not considered that, but given that one in 10 rough sleepers is an ex-serviceman, it seems a wholly fair suggestion. I am happy to raise that positively with the rough sleepers advisory group.

Mr John McAllion (Dundee East) (Lab): I, too, welcome the minister's statement and, in particular, the £20 million over the next two years. Can she assure us that that money will not be distributed on the basis of competitive bids, as for every winner in such a process there are more losers? No local authority will make a bid unless there is a real need in its area. Surely it is a fundamental socialist principle that proven need should be met.

Ms Alexander: That was a very seriously asked question so I will give a serious answer. When the rough sleepers initiative was launched, the fact that it contained a challenge fund element was controversial. It had such an element because it was obvious that we were not solving the problem by traditional routes. As the discussion today has shown, by taking the challenge fund route we have created many innovative projects that show the way in which we want mainstream budgets to move.

John McAllion is saying that he does not want any areas to be left out. The rough sleepers initiative gives us the best of both worlds: a challenge fund process at the beginning to develop innovative projects and reward the best ones and then the roll-out to ensure that no part of Scotland loses out thereafter. We are now moving on to that second phase.

The Presiding Officer: I now draw this part of the meeting to a close. I allowed it to run on longer than the allotted time because of the intense interest. I apologise to members who have not been called, but we must protect the time for the debate on motion S1M-258, in the name of the First Minister, on working together in Europe. I invite the First Minister to move his motion.

European Union

15:12

The First Minister (Donald Dewar): I am happy to commend motion S1M-258 to the Parliament.

Before I come to the meat of my speech, I must make an apology. Because of unexpected, but important, commitments, I fear that I will have to miss the end of this debate. I would not usually do that, but by the time it became clear that calls were being made on my time, it was a little late to spill the engagements or the debate into other hands.

I will begin by considering the amendments. Rather uncharacteristically perhaps, I start with a congratulation to the Scottish Conservative party, whose amendment shows some evidence that it is learning from past disasters. The art of dissembling is not dead, perhaps, but I prefer to assume charitably that the amendment is an attempt at tact.

Sweet reason is to be the order of the day—I hope, although we have not heard the speeches yet—and a moderate face is being constructed to mask the Conservatives' true position on Europe. We should encourage that sort of manoeuvre and offer it some recognition and reward. As my contribution to that process, I promise not to tell William Hague what the Scottish Conservatives are doing.

I regret the fault line that has been built suddenly and brutally into Scottish and British politics on the question of our future in Europe. It is damaging and it is created for the worst sort of cynical purposes by the official Opposition in Westminster.

I watched with horrid fascination—in the same way as one watches horror films late at night—proceedings at the Conservative party conference in Blackpool. The picture of Lord Tebbit appearing in our midst, confessing that he had been an unhappy Conservative for many years, but that this year he was a happy Conservative again, can—modestly, I think—be described as bad news for us all. I can only assume that William Hague is working on the assumption that his current stance will do something to rally the hard-line faithful—the blue-rinse brigade—and, frankly, is not worrying too much about the rest of the country. As Chris Patten delicately put it, enthusiastic support from Lord Tebbit

“might not be enough to sweep the country”.

Most of us would endorse that view.

Phil Gallie (South of Scotland) (Con): Does not the First Minister agree that there is some evidence that the Conservatives are sweeping the

country? We did very well in the European elections.

The First Minister: I never thought that I would see the day when I would say that Phil Gallie's ambitions were over-modest. If he thinks that the Conservatives are sweeping the country now, Lord knows what he would do if they ever did. Fortunately, we will not have to put that to the test, at least in the foreseeable future.

The heart of the Scottish Conservative party's amendment is that it

"does not believe that it would be in Scotland and Britain's interests to consider joining the single currency until its economic and political consequences have been properly assessed".

On the face of it, I do not greatly disapprove of that statement, although I must point out to the Conservatives that it is hardly the gospel according to St Margaret. I fear, however—I hope that people will not think that this is too cynical—that the real position of the Conservatives is very different. The national leader of the Conservative party says that he does not want to join the euro in this Parliament, he will not join it in the next Parliament and he will not change his mind. For him, it is a case of damn it and never mind the circumstances or the argument.

The interesting thing, as I have hinted, is that that position has been well and truly rumbled by some rather unlikely people. John Major was once famously reported as saying that he could not see a certain group of Euro-sceptics without hearing the rustle of white coats. Tragically, on the evidence of recent events, the patients have taken over the asylum, leaving many distinguished Conservatives to rue and lament.

Ben Wallace (North-East Scotland) (Con): Speaking of lunatics taking over the asylum, does the First Minister recognise this quote:

"The EEC will take away Britain's freedom to follow the sort of economic policies we need"?

It was made by his colleague Tony Blair in Beaconsfield in 1982.

The First Minister: If ever we needed evidence that the Conservative party was not exactly keeping up with the pace of modern developments, there we have it. I would be interested in swapping anecdotes about political archaeology, but I do not think that that would advance the cause. Instead, I will take up the challenge to give the chamber one or two excellent up-to-date quotes.

Ben Wallace: I hope that they are not yours.

The First Minister: This one comes from 5 October; it was said by Kenneth Clarke. I will not keep people in suspense any longer.

"Everybody knows you can't re-negotiate all those obligations which Conservative governments have entered into over the last twenty-five years without effectively bringing our membership of the EU to an end."

John Major said:

"Those people who think we can pull out need to realise that huge swathes of people in this country depend on Europe. But we are in the European Union, we are going to stay in it and the belief that you can renegotiate is absurd—mad."

His party, of course, is trying to renegotiate.

I will finish this passage with a quote from Chris Patten, because I liked it. He is a man of some civilisation, so I am not surprised, for example, that he was particularly worried about what happened to poor old Michael Heseltine—I think it was him—at the Conservative party conference. Chris Patten said:

"I didn't think I would ever read a report about a former Deputy Prime Minister being pelted with cocktail sausages and peanuts at a Conservative Conference."

I take the view that peanuts are probably at the quality end of what is on offer at Conservative party conference, but that is as may be.

More seriously, Chris Patten said:

"We are crossing a river and it is going to be very difficult to get back from the other side."

He is right. It would be tragic if that happened. My considered advice to David McLetchie—and to his colleagues—is that he should not get his feet wet on this occasion. Mr Hague would be well advised to pause and listen. If he is remotely interested in building a coalition or even links with the people of this country, it is time that he thought again about his position.

At the other extreme is the nationalist party, to whose arguments I will, of course, give due attention. The nationalists positively insist, not on joining the euro now, because they are not in a position to do that, but on joining as soon as it possible for them to act. They have one thing in common with the Tories—they are largely uninterested in rational argument on the issue and are driven by political expediency.

Yesterday, Alex Salmond—I am a great student of his activities—said to a small, but not necessarily select, gathering in Brussels that the pound was a millstone around the neck of Scottish industry. That is a strange theory, because the economy in Scotland is interconnected with and built into the United Kingdom economy. That is why Margaret Ewing, Alex Salmond and other senior nationalists—to be fair to them—have always argued that the Scottish pound would shadow the English pound while they conducted negotiations to allow them to join the euro in the unlikely circumstances of independence. That is why—as they would be the first to agree—

Scotland in the euro and England out of the euro would represent an enormous economic difficulty. Indeed, it would be unthinkable.

Our main market is not mainland Europe, as is often said—important though that market is—but the rest of the United Kingdom, to which we sell more of our goods and services than to the rest of the world combined. The nationalists argue—I think a little quaintly, but no doubt their position will be defended with spirit by Alex Salmond—that they are prepared to have exchange and interest rates set in Frankfurt on a European scale. However, they baulk at the same areas of economic affairs being managed from London because—as Alex Salmond puts it—that involves decisions being made in the south-east, for the south-east and by the south-east.

I understand the argument; it is one that the SNP always produces. “Ah,” SNP members say, “We don’t need to worry about it all being done from Frankfurt. We don’t need to argue about it all being done from a European perspective, because at the moment interest rates are lower in Europe than they are in Britain.” That is because we are at different stages of the economic cycle. At the moment, interest rates in Europe are low but unemployment is high. At different points of the cycle, different measures are required.

I suggest that a strong pound is often a measure of success. It is an indicator of very low inflation and of caution in case inflation starts rising again; it is an indicator of a service sector in which employment is growing and of a manufacturing sector in which employment is growing, as it is in Scotland. Those members who are looking at me sideways from the Scot nat benches might want to look at the Bank of Scotland economic report that appeared the other day. It recorded—to take a fairly typical example—that employment in the manufacturing sector was now rising faster than at any point since the bank started conducting its surveys. We in the United Kingdom have a very strong economy and that is important to us.

Let us consider the consequences of arguing from the premise that because, at the moment, there are rather lower interest rates in Europe, we ought to be part of the euro. If there were a role reversal and if, as the cycle played itself out, we found that interest rates in Europe were higher than those in the United Kingdom—using current parallels—would the Scot nats recommend that we apply to rejoin the United Kingdom? That would seem to be the logic of their position.

Mr Alex Salmond (Banff and Buchan) (SNP): If the difference between European and UK interest rates is the result only of cyclical factors, as the First Minister suggests, will he tell the Parliament in how many years during the past quarter century deutschmark short-term interest

rates have been higher than sterling interest rates?

The First Minister: This is a moment for honesty—I cannot tell the member that, as I do not have the precise figure.

Mr Salmond: One year.

The First Minister: Being a cautious man and not a gambler, I will check that later, but I am prepared to take that on board.

The fact that at the moment we have higher interest rates than the rest of Europe reflects the parallel advantages that we have, such as lower unemployment and a very strong economy with growth. By and large, a weak pound means a weak economy. I would rather have the problems of a strong pound and a strong United Kingdom economy—in which, as I have said, we sell the majority of our goods and services. That market is to our advantage; it will increase productivity and will drive the strong economic recovery that we have experienced in this country.

Mr Salmond rose—

The First Minister: I must push on.

I am not frightened, apologetic or in any way put out by the prospect of a strong pound, because I know what goes with it. The strong economy of the United Kingdom is a great bulwark, a great safeguard and a great advantage for the economy of Scotland.

I said that I thought it likely that the SNP’s position smacked of expediency. I make my next point a little tentatively, because perhaps I, and not Mr Ben Wallace, will now be open to the charge of going back a little way in history. I remember Jim Sillars, who, of course, is now a non-person in the SNP, as I understand it—

Ms Margo MacDonald (Lothians) (SNP): Some of us still love him! [*Laughter.*]

The First Minister: Of course, I realise that he has left a rather substantial shadow behind him. [*Laughter.*]

David McLetchie (Lothians) (Con): That is outrageous. That is ungentlemanly conduct.

The First Minister: If David McLetchie is outraged, his experience is narrow.

The point that I was going to make about Jim Sillars is that, when he persuaded the SNP to move from being an anti-European party to being a European party, he wrote—and Margo MacDonald will remember this—a very famous pamphlet. One of the key arguments in it was that the SNP should not bother to look at the arguments. He wrote that the SNP would be classified and damned as a separatist party for

ever unless it embraced Europe as camouflage and cover to get over the disadvantage of such a classification. It had nothing to do with the arguments of the matter—it was a political necessity. I therefore think that there is still a touch of opportunism about the position of the Scots on Europe.

Ms MacDonald: Speaking on behalf of my husband and I—[*Laughter.*]

The First Minister: It is the only time that you have done it.

Ms MacDonald: My memory goes back even further than the First Minister's. I campaigned alongside my husband—although we were not then married—and Teddy Taylor. We campaigned as Scotland United, because we were opposed, for our different reasons, to entry to the EEC. I cannot remember what Jim wrote in a pamphlet, although if the First Minister sends me a copy, I will verify whether he has got it right.

The First Minister: Oh yes I have.

Ms MacDonald: However, I remember campaigning with the slogan "No voice, no entry", which is very similar to the position of the SNP today.

The First Minister: Well, there is a happy conjunction of coincidence. Perhaps I am being a little unfair, because I do not think that Margo MacDonald ever campaigned for the Labour party, but Jim certainly did, in those early days. My point is simply that the pamphlet that he wrote in the early 1980s, just at the point when the SNP came out strongly for Europe, put the case very clearly indeed.

I will now turn to the positive case, and the Labour party's position—[*Interruption.*] I am being barracked, but I do not want the protection of the chair.

Mr John Swinney (North Tayside) (SNP) rose—

The First Minister: No, I want to move on.

Mr Swinney: I have a point on the positive case.

The First Minister: When Mr Swinney has listened to the positive case and appreciated it, he can come back to me.

What we have seen over the past two years is a remarkable transformation in Britain's standing in Europe and in Britain's ability to achieve and deliver in Europe. No one is going to try to convince me, and no one is going to suggest, that the Labour party stands simply for accepting what Europe does and says. Of course, it is enormously important that a British Government and, indeed, a Scottish Parliament are prepared to stand up and argue the case for our industries, our commerce

and our vision of social policy. That is done much more effectively if the country is engaged and seen as fully involved in the growth and development of the European Union.

The change has been remarkable. I travel only occasionally, but I go to Europe and I get involved to some extent in negotiations and talks. As anyone who travels will know, our leverage in European arguments has advanced enormously since 1997. We can therefore look backwards with pride and forwards with hope to continuing improvements and reform.

Unemployment is endemic in Europe and very high by our standards. We in Scotland have the lowest unemployment claimant count for 23 years. Unemployment has been pushed up the European agenda through the energy, commitment and passion that Gordon Brown and his colleagues have brought to the European debate.

At the meeting of the European Council in Berlin, we capped the growth on European spending in a way that the Tories were unable to do in 1988 and 1992. We worked together with other member states to win a good deal on European structural funds, including, of course, the special arrangement and financial equivalent of objective 1 funding for the Highlands and Islands. We were able to protect our rebate to ensure that our contribution to the European Union budget fairly reflects our relative prosperities.

We have worked together to promote devolution in Europe. I am proud that, in that field, Britain is practising very much what it has been preaching. From my now-extensive contact with European leaders below national Government level, I know that the range of powers open to this Parliament is envied by many of our colleagues.

Mr Swinney: The First Minister has made great play of the UK's negotiating success in Europe. Will he give some guidance on UK negotiations about support to businesses that are interested in exporting to European Union countries? For example, because of the UK's great success, a language training project has delivered resources to the UK economy in Luton, north London, Sheffield and Wolverhampton. What success have the Executive or UK Government had in delivering such exporting support to companies in Scotland?

The Deputy Presiding Officer (Patricia Ferguson): I must ask the First Minister to come to a close.

Dennis Canavan (Falkirk West): Hear, hear.

The First Minister: That is the man who once crossed this floor to shake my hand. What a shame.

Although I cannot answer Mr Swinney's question in detail, I have to say that it does not show much

vision. If he cares to examine the assisted areas map and the objective 2 map for the allocation of structural funds, he will find that Scotland does extremely well. I hope that that situation will continue under Commissioner Barnier.

I strongly believe that we have got to get Scotland the best possible deal out of Europe. Although I accept that there are other legitimate arguments about how we do that, I submit—with overwhelming evidence in my support—that the best way is to remain within the UK and, as the documents on the concordats made clear, to be fully and directly involved in every way possible in the formulation of UK policy to ensure that that policy is tailored where necessary to Scotland's interests. We shall then be able to push and achieve advances and we intend to continue to do so.

Because we now have a constitutional base in the devolution settlement, we are able through Scotland House in Brussels to interrelate, to use our influence and to add to the influence of similar areas such as the Spanish autonomous provinces, the German Länder and Italian provinces such as Tuscany and Lombardy. I welcome the fact that Alex Salmond was able to visit Scotland House during the week. We can begin to pull our weight in this increasingly important area of European activity and bring home results and rewards.

The Parliament must be ever vigilant. This is not a matter of a head count at every European Council meeting; it is a matter of our success in influencing policy and in ensuring that the interests of Scotland are not forgotten at the margins of European meetings. We have done that successfully in the past and will continue to do so. It is better to do that within the UK than leave the strength of being a big player and go out on our own into the increasingly patchwork structure of Europe.

Scotland's future is important in Europe. That future will be a shared one based on mutual trust and respect; it will be a celebration of diversity and it will mean a pooling of political power. Scotland will have growing influence, an effective profile and increasing prosperity. The right way forward is not to create the nation states of the past. The right way forward is the flexibility, the imagination and the integrity that Scotland has shown in working within the UK for both the UK and Scotland.

I move,

That the Parliament endorses the Scottish Executive's policy of continued positive engagement within the European Union; recognises that our full participation in Europe is vital to our present and future economic success and prosperity; and believes that Scottish businesses, communities and families are best served by our working together in leadership in Europe with the rest of Britain.

15:34

Mr Alex Salmond (Banff and Buchan) (SNP):

Although the First Minister's motion talks about a positive attitude to Europe, the balance between the negative and the positive in his address was somewhat askew. We had 15 minutes of negative attacks on other parties before we had the five-minute positive bit.

As for that positive bit, when Donald was challenged about the deal that Scotland gets from Europe, he said that we get a good deal from structural funding. Indeed, we do get a good deal from structural funding. Unfortunately, as we have heard in previous debates, the funds are promptly deducted from the Scottish block because of the Government's refusal to respect additionality—the good deal that we get from Europe is promptly deducted by the United Kingdom Treasury.

Responding to Donald directly, I have to apologise to him. In a question, I said that deutschmark short-term interest rates had been above those of the United Kingdom in one year of the past 25. Looking at the table, I realise that I should have said one year in the past 27. None the less, that still makes the point that Donald's claim that what is happening now is a short-term aberration—that European interest rates might at some point in the future be above those of sterling—is not confirmed by the experience of the past quarter century.

I remember Donald Dewar's life history. Although I accept that he has been making up for lost time over the past few weeks, he got his first passport at the age of 50.

The First Minister: That is totally untrue.

Mr Salmond: These things appear in the press, on Ceefax, on the internet and in other places. [Laughter.] He accepted that he was not the greatest international traveller. That is certainly the case when he starts talking about developments in the European Union.

I want to examine the Scottish Executive's performance in Europe, how their objectives have been either confirmed or not achieved in the past few months and the initial impression of that performance. I want to discuss the euro, a subject which—given that the Government is meant to be committed in principle to the euro—Donald Dewar mentioned only en passant. I wonder why.

I want to discuss the SNP's perspective of Scotland as an independent nation in Europe. In judging the Executive's performance to date, I remind the chamber of what the Secretary of State for Foreign and Commonwealth Affairs—then shadow foreign secretary—said, at a meeting of the Scottish Grand Committee early in 1997, would be the benchmark. He said:

"Labour's plans for devolution will create a Minister for European Affairs in a Scottish Administration, set up a Scottish European office in Brussels accountable to a Scottish Parliament in Edinburgh, confer on Scottish Ministers the same observer status as that of the German Länder".—[*Official Report, House of Commons, Scottish Grand Committee*, 13 January 1997; c 29.]

I accept—and the First Minister acknowledged—that Scotland House is a welcome development. I indeed visited it yesterday. I notice that it is styled as the office of the Scottish Executive, and not, as Robin Cook said it would be, as an office

"accountable to a Scottish Parliament".

The First Minister should, given his speech last night, remember that the Executive is accountable to the Parliament, not the other way round.

Nevertheless, as I said, Scotland House is a welcome development. It is one of 150 lobbying offices that the various regions—I use the First Minister's term—have in Brussels. It will do a good job for Scotland and it is better than what we had before. However, I do not think that it is adequate for Scotland's representation within Europe.

I was wondering who could be the Scottish minister whom, according to Robin Cook two years ago, we were meant to have in Europe. I had recourse to the Scottish Executive website. I know that the First Minister uses it and that the Minister for Enterprise and Lifelong Learning uses it all the time—the entire Administration must now be internet compliant. On the website, I keyed in, "responsible minister for Europe". I got the answer, "various". I was then offered the chance to search, only to be told:

"Specific information is not yet available."

There does not seem to be a Scottish minister for Europe, as Robin Cook claimed there would be, unless we are to believe that every minister in the Scottish Executive is responsible for Europe.

Incidentally, I took a printout from that website. It tells us, very helpfully:

"The information . . . is Crown Copyright".

It obviously must not fall into the wrong hands. I do not know that I should be holding the printout at all.

The Scottish Executive website demonstrated the fact that there is confusion and that Labour has moved away from the idea of having a minister for Europe. What I am about to say will show why it might be a good idea to reverse that position.

During the past six months, since this Parliament was established, there have been 30 meetings across Europe—formal and informal—of the Council of Ministers. The Scottish Executive, and by implication this Parliament, has been

represented at one of those meetings.

There have been three meetings of the Agriculture Council in Brussels and Finland since July. At a time when food and meat safety has been top of the agenda, European ministers debated those issues, but no Scottish Executive minister was present at any of those meetings.

With excessive petrol and diesel prices, surely members of this Parliament know that transport and environment are key issues. Those issues were discussed at three meetings of the Transport and Environment Council in Luxembourg and in Helsinki; no Scottish Executive minister was present at any of those meetings.

The claim is made—we heard it earlier today—that social inclusion and anti-poverty strategies are at the top of the Scottish Executive's agenda. When employment was being discussed at the Labour and Social Affairs Council in Luxembourg last month, no Scottish Executive minister attended the meeting.

Central to European discussions over the past few months has been justice reform, which will have a direct effect on Scotland's distinctive legal system. Roseanna Cunningham will address that later in this debate, but of three Justice and Home Affairs Council meetings, the Scottish Minister for Justice has attended none.

If Scotland is to play a role in Europe, even as a devolved region—to use the Scottish Executive's term—it might be helpful if we had been represented at more than one of 30 meetings during the past six months. The concordat that the Scottish Executive signed with the Foreign and Commonwealth Office states:

"In general, it is expected that consultation, the exchange of information and the conventions on notifications to EU bodies will continue in similar circumstances to the arrangements in place prior to devolution."

They certainly have. In general, Scottish ministers were not represented at meetings of the Council of Ministers—formal and informal—before devolution and they are not represented after devolution.

Playing a role in Europe is not just about having a lobbying office, or a week of festivities and lectures at Scotland House—where I was given a helpful brochure yesterday—excellent though that was, and much enjoyed as I am sure the week was by all the Scottish Executive ministers who attended. It is about turning up to the key meetings, representing Scotland, having the information and being involved in the nuts and bolts of European decision making. The Executive's record over the past six months shows that its idea of Scotland in Europe is a week in Brussels for Scottish Executive ministers, but no representation for Scotland at meeting after meeting at which issues are discussed, even

issues that directly affect this Parliament's legislative programme.

On the euro, I must say to the First Minister that we are involved in a joint campaign—the Scotland in Europe (part of the Britain in Europe campaign)—and, as I understand our mission statement, we have to make a positive case for the euro. We will win the argument that we are meant to be trying—collectively—to win only if we actually make that case and try not to let that case go by default.

Mr David Davidson (North-East Scotland) (Con): Is Mr Salmond suggesting that the First Minister is not onside in the campaign to take Scotland into the euro?

Mr Salmond: I am merely reflecting that I would like to see more enthusiasm from Labour members and from ministers—not just the First Minister, but the Labour ministers at Westminster—if we are to believe that they are fully on board in the campaign. Liberal sources said only yesterday, in the London papers, that they had tried to tone down Charles Kennedy's statements on this matter. I am sure that no such thing could happen in the Scottish Executive. *[Laughter.]*

Phil Gallie: Will Mr Salmond give way?

Mr Salmond: In a minute, Phil; I want to make progress.

The First Minister says that we should welcome the fact that sterling is a strong currency. I wish he would tell that to the Scottish farming industry. The most important reason for the general recession in Scottish farming is a 20 per cent over-valuation of the pound sterling. That is more important than BSE—dreadful though that has been—and more important than the on-costs, because the farmers are directly in competition in a single marketplace and directly responsive to developments across Europe.

The First Minister should also try telling it to the Scottish textile industry. I do not know whether he has noticed, but that industry has been decimated by the lack of competitiveness and the exchange rate of sterling. We have had closure after closure.

The Minister for Enterprise and Lifelong Learning (Henry McLeish) *indicated disagreement.*

Mr Salmond: The Minister for Enterprise and Lifelong Learning is in denial. The first thing that his department says when there is a closure is that the closure has nothing to do with the exchange rate. How on earth can it have nothing to do with the exchange rate? How on earth can a 20 per cent over-valuation of sterling—compared with the average over the past 10 years—have nothing to do with the competitive position of Scottish

industry? What nonsense.

Sterling is a uniquely volatile currency—99 per cent of its value is denominated by capital flows and not by trade movements.

The First Minister *rose—*

Mr Salmond: I will give way to the First Minister on a subject on which he has substantial expertise.

The First Minister: I certainly have not been employed by a bank, as Alex Salmond was a long time go. I want to be clear about what Mr Salmond is saying. He says that the pound is badly over-valued by the market. He is, by implication, saying that the proper policy to pursue at the moment would be somehow artificially to undermine the market's confidence in the pound and drive it down. To what level would he drive it down and how would he propose to do that?

Mr Salmond: The last time that I heard a minister argue that case was in the House of Commons when Lady Thatcher told the Labour benches that the market could not be bucked over sterling.

The First Minister: Answer the question.

Mr Salmond: I would converge the interest rates of the United Kingdom with those of the euro area. I would then watch sterling move down to a more competitive level.

The First Minister *indicated disagreement.*

Mr Salmond: The First Minister may shake his head—he should, perhaps, talk to the Deputy First Minister, as that case is made daily from the Liberal benches in the House of Commons in London. Is he saying that there is some sort of split over the economic policy of the Scottish Executive? Interest rates should be brought down to European levels; sterling will then fall to a competitive level.

The First Minister says that the market has determined the value of sterling. I do not know whether he has had time to look at the statement that the Chancellor of the Exchequer made yesterday. The chancellor anticipates a £12 billion trade deficit in the current account of the balance of payments every year for the next four years. That is a substantial trade and balance of payments deficit and yet sterling remains at a very high level. What does that tell us, if not that capital movement, not the movement of underlying trade and our competitive position, determines the value of sterling?

Scotland exports far more of its product to Europe than to the UK and has 60 per cent higher productivity in manufacturing exports than the rest of the UK. The argument for being in the euro is that it will get us out of the position in which a

capital denominated over-valued currency is doing severe damage to the Scottish economy, despite the denials of the First Minister and the minister for industry.

Phil Gallie: Does Mr Salmond think that the First Minister lacks enthusiasm for euro because he thinks that joining the euro will eventually mean tax harmonisation? To go down that road would be bad for Scotland, given that our current tax take against gross domestic product is very low.

The Deputy Presiding Officer: Mr Salmond, I must ask you to wind up now, please.

Mr Salmond: I do not believe that the euro will lead to tax harmonisation. Oskar Lafontaine argued that it would—he did not last long as German finance minister. I agree with the First Minister and he agrees—he will be disappointed to hear—with Phil Gallie. I do not believe in tax harmonisation across the euro area; it is not an inevitable result of the single currency.

In summing up, I will talk about a different perspective of Scotland's position in Europe—not the regional perspective that the First Minister shares with the Conservative party, but the perspective of Scotland as an independent nation in Europe. As an independent country, Scotland would have 99 per cent control of fiscal policy compared to this Parliament's 10 per cent control.

I want to talk about the advantages of Scotland having real access to the Council of Ministers and being part of the decision-making structure. As an independent country, we would have double the number of seats in the European Parliament. We would have nine seats on the Economic and Social Committee and more seats on the Committee of the Regions. Scotland would be able to take a turn in the presidency of the European Union—leading Europe, as small countries are doing now and have done many times. We would be part of the decision-making structures of the Community; we would be a full member of the Community and we would have equality of status in that Community.

What underlies the difference between the First Minister and me is not simply a disagreement about what the key bodies in the Community are or whether a lobbying office or a seat at the table would be best for Scotland. What underlies the difference between us is a different perspective on what Scotland is and can be. The First Minister wants regional status for Scotland in Europe. I and the SNP want equality of status—Scotland as an independent nation in Europe.

I move amendment S1M-258.1, to leave out from "Scottish Executive's" to end and insert:

"view that Scotland should play an active and positive role within the European Union; recognises that our full participation in the EU and early entry into the Euro is vital

to business and jobs and the future economic success and prosperity of Scotland, and believes that Scottish businesses, communities and families will be best served by an independent Scotland playing its full and proper role in the EU."

15:50

David McLetchie (Lothians) (Con): The Scottish Conservatives, along with our colleagues in Westminster and Strasbourg, remain committed to British membership of the European Union as a partnership of nation states coming together for common purposes, in pursuit of common interests, but retaining independent freedom of action over many areas of social and economic policy.

That is the vision that we offered people at the European elections in June. It swept us to significant victories across Britain and wiped a complacent smile from the face of the Prime Minister. It is why we support the first part of today's motion, and is also why our amendment seeks to focus the debate on the key issue of the single currency rather than the wishy-washy words in the motion.

Of course, our political opponents try to misrepresent our position and attempt to portray us as extremists who are determined to take Britain out of the European Community.

George Lyon (Argyll and Bute) (LD): Will the member give way?

David McLetchie: I will do so soon.

The First Minister has tried to misrepresent our position today, in some of the most patronising terms imaginable.

The election on 10 June showed that the Conservatives have struck a blow for the mainstream opinion that we should be in Europe, not run by Europe.

The First Minister: Will the member give way?

David McLetchie: Mr Lyon is first, sorry.

The message from the electorate to Britain's politicians was clear: they should stop undermining and compromising our national sovereignty.

George Lyon: Does David McLetchie agree with Douglas Hurd, who stated on 13 October that Conservative policy in Europe is increasingly based on caricature, not reality?

David McLetchie: I do not agree with Mr Hurd, who is no longer a member of the parliamentary Conservative party and whose opinion is out of step with the mainstream opinion of the party.

Mr Salmond: Will the member give way?

David McLetchie: I am sorry, but Mr Dewar is

next.

The First Minister: I ask this question in a spirit of genuine inquiry. Mr Hague has indicated that he wants to renegotiate many of the terms of the present treaty. Famously, he suggested that any country should have the right to opt out of decisions that are made on the basis of qualified majority voting. Is that the position of the Conservative party, or is Mr McLetchie overruling Mr Hague?

David McLetchie: Mr Dewar has again misrepresented the position of my party. The party's position in relation to flexibility applies to new legislative proposals for developing the Community further that might emerge. The Conservative party will not renege on any of the treaty obligations that this country has undertaken.

The First Minister: The Conservatives want to renegotiate.

David McLetchie: We have not agreed to renegotiate the mainstream treaties. Mr Dewar should be aware that there are fundamental common policies in the European Union that will come up for renegotiation in the next few years: the common agricultural policy will inevitably be renegotiated as a result of the accession of new members; the common fisheries policy will be renegotiated when the derogation ends in 2002. Many fundamental policies are up for renegotiation and this country requires a flexible approach that will retain more decision-making powers in this country. That is in the best interests of our fishermen.

Mr Salmond: The confusion of the First Minister seems to be shared by Malcolm Rifkind, whom the Scotsman of 7 October reported as warning Mr Hague that the Conservatives must back away from demands to renegotiate as they were

"little more than a euphemism for us to quit Europe".

Mr McLetchie has already defied Douglas Hurd. Will he now defy Mr Rifkind?

David McLetchie: I am sorry, but that is a further misrepresentation of the party's position. We are not renegotiating the fundamentals of the commitments that we have entered into with the European Union. That is the party's position. The flexibility option relates to new treaty obligations and new common policies, on which we genuinely believe—as in matters that relate to the common fisheries policy—that we need a great deal more flexibility than is currently provided in the European Union framework.

Mr Keith Raffan (Mid Scotland and Fife) (LD)
rose—

David McLetchie: I am sorry, Mr Raffan. I must make progress.

It is our opponents who are out of touch with national sentiment. It is they who are the extremists, not us. It is Labour, its Liberal Democrat subsidiary and the nationalists who ignore the wishes of the vast majority of the people in this country, by relentlessly pursuing an agenda of surrendering our currency, economy and, eventually, our nationhood to European institutions of dubious democratic credentials, in which vital national interests could be subordinated to those of other member states.

With the European Union's enlargement looming ever closer, the question that faces Scotland in Britain is not whether the European Union needs to change, but rather how the European Union will change. That has long been recognised by the Prime Minister and his federalist friend Signor Prodi, the new President of the European Commission. Those who want an inflexible, centralised, federal Europe have set out their stall, as is their right. A committee of the so-called wise men, which was established by the President, recommended a large increase in qualified majority voting, the abolition of the national veto, a single European defence capability, a written European constitution and new powers for the Commission. Under those proposals, a single nation would no longer be able to exercise its veto to block other states from imposing policies on it against its will.

That, if I may say so, illustrates beautifully the folly of the Scottish National party and its laughable policy of independence in Europe—not so much a slogan as a contradiction in terms. It is that party's headlong rush into a federal European super-state that will sound the death knell of Scottish independence, not its birth, as it fondly imagines. It is the Scottish Conservatives who recognise that every EU member must accept the rights and responsibilities of the single market and the core elements of an open, free-trading and competitive Europe.

It is for those reasons that we welcome moves to enlarge the European Union and to extend free trade areas to other economic zones throughout the world; for example, in a new relationship between the European Union and the North American Free Trade Area. In doing so, we welcome the opportunity for greater flexibility and diversity in decision making in the institutions of the European Union. That is why we advocate new treaty provisions that will allow member states to opt out of new legislative proposals that they, as member states, want to handle nationally.

Our flexibility policy would not block other member states from going ahead in co-operation with new initiatives, if that is what they want to do, but it would stop much new legislation from being foisted on people in Scotland without their prior

democratic consent.

Mr Raffan: If Mr McLetchie believes in flexibility, how can he support Mr Hague's policy of firmly ruling out a single currency for the whole of the next Parliament? That is not flexibility.

David McLetchie: That is a very sensible policy, because it would allow a judgment to be made that would stand throughout the duration of the economic cycle. It seems to me, after reading the press reports, that that is a policy for which the Chancellor of the Exchequer has a good deal more sympathy than he had a few months ago. It seems to be an eminently sensible solution.

It is time to acknowledge that the diversities that are undoubtedly manifest throughout Europe are natural and desirable. They are not something to be ashamed of, to be brushed under the carpet. It is our challenge to reflect Europe's diversity in European Union flexibility. That is why we have made it clear that, if the next EU treaty does not contain a flexibility clause, our party will oppose signing up to it.

George Lyon: Will David McLetchie give way?

David McLetchie: No, I have already given way.

Labour, the Liberal Democrats and the nationalists are the real unholy alliance in this party—[*Laughter*—this Parliament. Those parties would go along with the federalist movement, to the changing nature of the European Union. The Prime Minister did so in 1997, by accepting the extension of qualified majority voting at the Amsterdam conference. Now he is preparing to do the same again next year. The position of the Scottish National party is particularly curious. Yesterday, in Brussels, as the First Minister has already intimated, Mr Salmond said that the pound was a millstone round Scotland's neck. That is a clear indication of his personal unequivocal support for early entry into the euro, although, as I understand it, official SNP policy is to consult the people first, in a referendum.

Mr Sillars, whose name was taken in vain by the First Minister earlier, in a much more recent warning than the pamphlet dating back around 20 years ago that was dug up by Labour researchers, issued a strong warning about the dangers of entering into the euro in a recent article in *The Times*:

"It is a major stepping stone to a federal superstate . . . removing one of the core aspects of national sovereignty".

Yesterday, Mr Salmond criticised the Bank of England's action as

"economic policy made in the south-east of England by the south-east of England and for the south-east of England".

If he believes that the Bank of England is too

distant to serve the interests of Scotland, how can he argue that the solution is to surrender control of the economy and interest rates to unaccountable bankers in Frankfurt? If what works for people in Aldershot will not work for people in Aberdeen, how on earth will they have anything in common with people in Athens? It is seriously irresponsible of the nationalists to deceive the people of Scotland in this way.

The Conservative party is committed to British membership of the European Union, and we are determined that it should work in the best interests of the people of Scotland. The issue of flexibility is at the core of this debate. Some may choose to focus the debate only on the economic criteria. We want it focused on the political implications of joining the single currency. It is a curious irony that while the other parties here are hell-bent on stripping Scotland's Parliament of its sovereignty, within only months of its inception, by handing over more powers to a European federal super-state, it is the Conservative party that is committed to maintaining the powers and responsibilities of our first ever democratically elected Parliament.

I move amendment S1M-258.2, to leave out from "recognises" to end and insert:

"but does not believe that it would be in Scotland and Britain's interests to consider joining the single currency until its economic and political consequences have been properly assessed and believes that we should keep our independence in decision making."

16:02

Tavish Scott (Shetland) (LD): I was thinking about which government handed over most sovereignty to the European Union in the past. Never have so many Tories been misunderstood as today.

The Liberal Democrats support the motion in the name of the First Minister because it is positive about Scotland's engagement with Europe. An outward-looking Parliament is part of a positive approach to promoting peace, to protecting the environment, to opening up trade opportunities and to assisting the stable development of less fortunate regions.

We oppose the SNP and Tory amendments. The SNP calls for an independent Scotland. People voted for devolution and rejected independence and want Scotland to play a constructive role in Europe as part of the United Kingdom. We oppose the Tory amendment because it is a contradiction in terms: is it never, or never say never again, on the euro?

A party with an objective that would damage our economy, fishing and farming, which created the beef war and which now wants a European opt-out on anything they do not like, is not a party fit to

take forward our engagement with Europe.

The only thing the Tories like less than Europe is themselves. On the BBC recently Chris Patten warned his party that it is

“making no sense on Europe, and risks losing mainstream support through its policies”.

I further quote:

“Let me be quite clear. Britain does not dream of some cosy, isolated existence on the fringes of the European Community. Our destiny lies in Europe, as part of the Community.”

That was Margaret Thatcher, in Bruges in 1988. That is still true.

Scotland needs to benefit from the European drive to create opportunities to secure new jobs, ensure stable prices—

Mr Brian Monteith (Mid Scotland and Fife) (Con): Will the member give way?

Tavish Scott: If I must.

Mr Monteith: You quoted Margaret Thatcher—

Tavish Scott: Someone who is dear to you, Brian.

Mr Monteith: Does Mr Scott see any difference between what she said and the slogan we used in the European elections, “In Europe, but not run by Europe”? That slogan helped us win—if we look at it on a constituency basis—in all the Liberal seats bar Orkney. Mrs Thatcher was right then and we are right now and your party has got it wrong.

Tavish Scott: Mr Monteith gets so many things wrong. The constituency is Orkney and Shetland.

Scotland needs to benefit from the European drive—I know that the Tories do not like it, but that is what happens in the real world, not in the world that they live in—towards opportunities to create jobs. Presumably, the Tories are against that as well. Scotland needs to benefit from the drive towards stable prices, greater wealth creation prospects, increased security, an extension of democracy and a clean environment. However, we need a better debate, which raises the stakes on the euro. The Liberal Democrats are committed to joining the single currency to prevent Scotland and the United Kingdom being marginalised by an unstable and uncompetitive currency, to prevent even higher costs to business and to prevent risks to investment.

Mary Scanlon (Highlands and Islands) (Con) rose—

Tavish Scott: Forgive me, but I must move on.

Adopting the euro will improve trade with our nearest neighbours, reduce costs and deliver lower interest rates. As a farmer who exports lambs to southern Mediterranean countries, I

appreciate from a business perspective, which may be alien to some Tory members, the need for stable exchange rates. Scotland's agricultural organisations, particularly the National Farmers Union, have argued for and supported the euro. Liberal Democrats are taking a positive approach—

David McLetchie: Does Tavish Scott accept that the NFU's support for the euro is support that is based on entry at the correct exchange rate, which implies a substantial devaluation? Is that his policy as well?

Tavish Scott: The NFU has supported the euro for a considerable time. Its aspiration is to ensure stable exchange rates so that we can export to markets that are the future for Scotland's agricultural industry. I support that position.

Liberal Democrats are taking forward a positive approach and setting a positive agenda to reform the EU, confront the concerns about fraud, reduce the democratic deficit and diminish our people's intransigence about what goes on in Brussels and Strasbourg. Liberal Democrat MEPs are demanding the creation of a European anti-fraud office, which is independent of the Commission, to be the European citizens' champion to tackle fraud and incompetence. Tory MEPs are opposing that measure. Liberal Democrats also have called for a constitution for Europe to help tackle waste and inefficiency. A constitution would define and limit the powers of Brussels.

MSPs such as myself who represent constituencies in the Highlands and Islands seek co-operation from Europe on the problem of infectious salmon anaemia, which is a viral disease that is causing severe damage to a Scottish industry that employs 6,000 people, mostly in the Highlands and Islands. In Norway, the disease is managed in a sensitive way, to keep it under control while maintaining the industry. Within the EU, ISA is classed as exotic and as a list 1 disease. Attempts have been made to eradicate ISA, but recent news of the spread of the disease to new areas shows that that attempt is not working. However, the controls that have been imposed have been so draconian that, if left in place, the eradication policy may eradicate the salmon farming industry.

The UK Government, led by the Scottish Executive, has been working in Europe for a relaxation of ISA controls. Now the Executive has clear grounds to push for the end to list 1 status, and for a move to follow the more realistic Norwegian practice. That must happen, because the industry cannot afford to wait. At times like these we need a co-operative relationship with Europe. We cannot expect to be given a sympathetic hearing if, like the Tories, we use the EU as a punch-bag. The UK's 10 votes gives us a

Scottish voice backed by Westminster, which speaks louder than Scotland's voice on its own on vital Scottish interests.

Europe has given stability to formerly unstable countries, democracy where there was none and prosperity where once there was poverty, but greater than all those achievements must be peace. Europe must make up for its failure to respond adequately to the Balkan crisis by building a stronger, wider, peaceful Europe. When so many people in the world are stateless, I want a Europe where I, as a Shetlander, a Scot and a Briton, can also be a European.

The Deputy Presiding Officer (Mr George Reid): Opening statements overran significantly, which means that speeches will now be limited.

16:09

Lewis Macdonald (Aberdeen Central) (Lab): All parties have agreed, more or less, on the importance of constructive engagement with Europe, but the question that divides us is the terms on which we do that.

I hope that recent events have concentrated minds, and reminded us of the importance of our European trading partners to Scottish businesses and jobs. Before we joined the European Community, EC countries accounted for less than a quarter of our manufactured goods exports; now they account for nearly two thirds. Of course, much of Scotland's inward investment comes here because we are a gateway to Europe. For example, a number of multinational oil companies are based in my constituency in Aberdeen, where they have their European headquarters, not just their Scottish or British headquarters. The same is true of other industries.

The north of Scotland perhaps relies more than any other part of Britain on trade with Europe, whether that is the export of fish, lamb, whisky or many of the other quality products that depend on our continuing constructive engagement with Europe. For that reason, we should reject the Tories' instinct for disengagement from Europe. I was interested to hear Mr McLetchie—and I am sorry that he is no longer here—define his concept of flexibility as something quite different to disengagement. I am sure that his colleagues will pass on to him my request that, in summing up, the Conservatives should explain whether their policy on the common fisheries policy is so flexible that they seek Britain's withdrawal from it. If that is their position, is that practical politics?

The Conservatives' amendment does not oppose constructive engagement with Europe and, as far as it goes, I welcome that. However, the party line that it adopted at its recent conference is different. The question of what it

means by a flexible Europe is one to which we have not really heard an answer yet. It seems to be a pick-'n'-mix Europe; not constructive engagement, but a code for disengagement.

The Scottish National party is not so daft. It knows that it does not make sense to pull out of a union that works, brings great economic benefits, is vital to our trade and provides a framework within which progressive social policies can be agreed across the board. The SNP does not want to pull out of Europe, but instead it wishes to pull out of the British union—a union that also works, brings great economic benefits, is vital to our trade and creates a framework for social justice and policies for jobs.

Nothing could be more illogical than to say, "A single currency is a good thing. We have one already, but let us walk away from it." The logic of pulling out of Britain to engage more fully in Europe is not logic at all. By all means, let us enter the European single currency as early as it is in our economic interests to do so, but surely it makes sense to do that as part of the single currency area to which we already belong rather than to pick one or the other.

The Tories offer us a Britain on the edge of Europe, the logic of which is a Britain that will sooner or later slip out altogether.

Mary Scanlon: If Lewis is so keen to join the single currency almost instantly, does he feel that the euro zone interest rate of 3 per cent is appropriate for the United Kingdom at this time? If so, have the First Minister and others made representations to the Chancellor of the Exchequer and the Bank of England Monetary Policy Committee on that point?

Lewis Macdonald: I did not suggest to the chamber that we should move into the euro zone immediately. In principle, it is the correct place to be. However, we should reject the Conservatives rejection of that for at least a whole Parliament, and turn down the opportunity offered to us by the SNP, that Scotland should be in one currency zone while England is in another. Rather, we should go for a positive vision of a Europe growing closer together on terms that suit our interests. The correct way forward is Scotland in a devolved Britain as part of a Europe of the regions.

16:13

Dr Winnie Ewing (Highlands and Islands) (SNP): I want to thank the First Minister and the Executive for holding this debate, as it is the first opportunity that the Scottish National party has had to debate its flagship policy of independence in Europe. Like Alex, I want to be inside the room when the Council of Ministers makes the decisions. I want to be part of all those institutions,

not just a lobbyist outside the room. Luxembourg—without a single bit of fish in its small but excellent country—is inside the room, even on fishing. I am happy about the extra clout in Europe that I concede that the Parliament has given us. Scotland House—to which I was not invited but which I will visit on my own—has had the same effect. That clout is demonstrated by the many delegations that wish to talk to or hear about the European Committee. Consider all those new consulates that are opening up.

I would like to deal with some false claims. First, from time to time the claim is made that the SNP does not want the Parliament to work. Logically, we of all parties must want it to work, because we see it as a step on the road to independence. We want the people out there to say, "This is a good thing. It is an improvement. Let us have more of a good thing." We of all parties want the Parliament to work and we will pledge ourselves to make it work.

Another claim that is sometimes made, but which seems to be made less often now, is that Scotland would not get into Europe. That claim was made during many of my numerous European election campaigns, but it was refuted by the top legal expert in the European Union, Lord Mackenzie-Stuart, the head of the Court of Justice—the EU was not called the EU in those days, of course. That refutation was also repeated by the head legal expert of the European Commission, Dr Noe from Italy. Both of them quoted international law, saying that, when a treaty breaks up two countries that have been together in a union, both those countries will continue to be covered by the umbrella of the EU treaties.

International law bears out that legal opinion, as can be seen in the case of Norway and Sweden earlier in the century, in the case of the Czechs and the Slovaks and even in the case of the Republic of Ireland, which remained part of the Commonwealth for many years after becoming independent.

The First Minister claimed that the day of nation states is past. Looking at the map of Europe today, I find that an odd claim. Perhaps he should repeat it to the Czechs, the Slovaks, the Estonians, the Latvians, the Lithuanians and many of the other nation states that have re-emerged. He also claimed that for Scotland to be in the euro and England to be out would be a disaster. Perhaps he should discuss that claim with the Irish at ministerial level, as Alex Salmond and I have done. If independence in Europe is daft, as the Conservative party in Scotland claims, the Danes, the Irish, the Swedes and the Finns must all be daft.

I am not clear about the Executive's position on

the euro, even after listening to the First Minister's speech. Gordon Brown's attitude is summed up rather well in one of the heavy London papers, which said that it was like proposing marriage while saying to the girl, "I can't marry you for some considerable years. I don't know when I can exactly and, when I do, there will be conditions, but I can't tell you what they are." That seems to be new Labour's position on the euro. At least the Tories' position is clear and, to be fair, so too is the Liberal Democrat position. Our position is clear: we want a referendum on the subject.

It is claimed that Scotland benefits from having the United Kingdom as its big brother. After 24 years in the European Parliament and after seeing the desecration of Ravenscraig, which the Commission admits would not have closed if Scotland had been independent, all I can say is that big brother's achievements do not look very impressive. Nor has the UK helped us to avoid the sell-out of our fishing industry to Spain. I seem to remember that there was a manifesto promise about quota hopping, but we have not—

Ben Wallace: Will Dr Ewing give way?

The Deputy Presiding Officer: She is winding up.

Dr Ewing: Do I have to wind up now? I am sorry, but I cannot take Ben Wallace's intervention.

I want to mention the alcohol regime that is unfair to wine and beer industries. It was always said that the regime should regulate alcohol according to its strength, but the UK does not apply for a lot of the funds that are available. We did not get any funding for the Chunnel because we did not apply. Nor did we get lots of the available training funds or the funding that is available for small and medium enterprises. Our loss of objective 1 status was hailed as a great victory instead of a defeat, and the UK Government allowed lots of unsuitable legislation to be passed for the lack of having an independent voice to stop ridiculous legislation that does not suit Scotland.

16:18

Ms Irene Oldfather (Cunninghame South) (Lab): I am pleased to be able to speak in the debate today on a subject that is close to my heart: positive engagement in Europe.

As a member for the past two years of the European Committee of the Regions, I have been fortunate enough to experience at first hand the European decision-making process. Working as it does in a multicultural, multilingual environment, the committee is able to address the everyday problems of Europe's peoples together.

I felt that it would be appropriate today to look to the future. I have therefore chosen to address my comments to a key area of policy that is inherent in the evolution of the European Union—enlargement. I do so for a number of reasons. This week sees the 10th anniversary of the tearing down of the Berlin wall. Yesterday, we made history in the European Committee with the first ever visit of a delegation from a European region, Saxony-Anhalt, whose members addressed us in their native language.

It is important that Scotland, too, should embrace the concept of enlargement. Although that poses a challenge for us, it also offers us opportunities. Not least of those is the single market, which will be boosted by some hundred million consumers from new, largely untapped and previously unreachable, markets. That will take the number of job opportunities in the single market to 500 million. The effects of free trade and investment with the seven largest applicant countries would add 0.2 per cent to national incomes across Europe and, in Britain, it would add £1.75 billion a year by 2006. The Parliament needs to promote positively enlargement and the opportunities that it represents.

Those opportunities include the possibility of growth in both our SME sector and our export market. Members will be interested to hear a success story that often inspires me. A Glasgow-based distributor—I will not mention the name for fear of incurring the wrath of the Standards Committee—of satellite television equipment attended a trade fair in the Czech Republic in September 1993. The ECOS-Ouverture programme of interregional aid sponsored the company, which was successful in securing several orders from central and eastern Europe. From no export sales in 1992, the company made £500,000 from foreign sales in 1993 and tripled that amount by 1995. It now trades to nine countries in central and eastern Europe.

Given appropriate assistance, I am sure that firms across Scotland can repeat that success story. I hope that all relevant authorities, including Scottish Enterprise and local enterprise companies, will take active steps to ensure that Scottish companies benefit from this expansion, particularly those in the weaker sections of our economy. I hope that the Parliament's European Committee will look for ways to consider the opportunities that are offered by enlargement.

Europe is continuing to change and evolve and enlargement is both a major and inevitable element of that. I believe that, for the first time in the United Kingdom, options are open, not closed, that the approach is constructive, not destructive and that decisions are based on pragmatism, not on outmoded ideology. I urge members to support

Scotland's place in Europe and to support the motion.

16:22

Ben Wallace (North-East Scotland) (Con): It is refreshing to hear from another party that is clear on its aims and objectives in Europe. The SNP would join the euro at the first possible opportunity; that goes for the Liberal Democrats, too. The SNP's single U-turn on Europe in the 1980s pales into insignificance beside Labour's seven changes of policy position on Europe since the European Community was established.

Obviously, Mr Salmond sees entry into the euro as part of his grand plan for independence. However, he must be aware that, by joining the single currency, he will abandon any hope of Scotland being able to control its own interest rates, currency and, ultimately, fiscal policy. He would be weakening the independence for which he strives. He seems more interested in the trappings of a region within a federal Europe than in allowing Scotland's people to be able to run their own future.

The Conservative party's policy is clear: in Europe, not run by Europe. We believe that entry into the euro is not in the best interests of the people of Scotland. We believe in an expanded, less regulated European market: a Europe with fewer regulations, not more; a Europe with fewer powers being given to bureaucrats, not more; a Europe where the citizens of each member state feel secure in their identity and are able to change their political masters when they feel like it.

By staying out of the euro—

Mr Raffan rose—

Ben Wallace: I will not give way to Mr Raffan. I never like to. He goes on and on.

By staying out of the euro, we will be able to set interest rates appropriate to our situation. Contrary to the Labour spin, we will be more influential, not less. Instead of being one vote out of 12 in matters that affect European Union economies, we will have power over our economic affairs. We can continue with the low social costs, the flexible labour laws and the competitive corporation tax regimes that have allowed us to enjoy—

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): Mr Wallace talks about flexible labour markets and lower costs. Does that mean that he would continue to support the Conservative party's policy of not introducing the working time directive or some of the other social benefits that Europe legislation has introduced on working conditions?

Ben Wallace: There are many aspects of the

working time directive that still need to be sorted out. In its present form—

Dr Ewing: Fishing.

Ben Wallace: Yes, fishing is one example.

We will not lose out on trade. The City of London trades more dollars yen and dollars deutschmarks than Frankfurt and New York combined. Those will not be lost if we were to stay out of the euro. Canada, which neighbours the most powerful economy in the world, has never felt it necessary to rid itself of its own currency.

The future of Europe in the euro is one of a further step towards political integration. In November 1997, the then Chancellor of Germany, Helmut Kohl, said:

“We want political unification of Europe. If there is no monetary union then there cannot be political unification of Europe. If there is no monetary union then there cannot be political union and vice-versa”.

We do not want to be dragged into a federal Europe, behind a federal currency.

The existence of the Scottish Parliament can be put down partly to the frustration of Scots who felt so removed from the decision making in Westminster that they brought the politicians back home. Perhaps that is why Mr Salmond is so keen to support the idea of the euro and a more distant Europe.

The Executive must come clean. Does it want the euro or not? When will it enter the euro? Will it let the many Labour members who oppose it—Donald Dewar talked about the past, but at present, 22 Labour MPs are part of the save the pound, euro guard and new Europe campaigns—speak against it. A few weeks ago, I spent some time with Frank Field, discussing those very problems. Frank Field is not in the Labour party's past. The party should come clean and allow its members to speak out.

Andrew Wilson (Central Scotland) (SNP): Can Mr Wallace clarify whether the Tories are for ever and a day against the euro, and therefore against the federal state that he claims will follow? Does the word “until” in the amendment imply that, one day, they will be in favour of the euro?

The Deputy Presiding Officer: Please clarify and close, Mr Wallace.

Ben Wallace: I will state the policy. We believe that, for this Parliament and the next Parliament, we will oppose the existence of the euro. We believe that the euro will lead to a federal European state and we oppose it.

The Executive must come clean. Will it let the Labour members who do not agree with the euro speak out, or will those members be made to keep quiet, like the six Labour MEPs who suddenly

disappeared off the proportional representation list at the last election?

The Conservative party is pro-Europe, and if it were not for the fact that Labour's agenda of euro membership is being hidden from the electorate, I am sure that all members would have supported the motion. However, like the 5,000 extra policemen, one always has to dig a little deeper to find the truth behind new Labour.

16:28

Ms Margo MacDonald (Lothians) (SNP): In supporting the amendment in the name of my friend Mr Salmond, I am not—as some might think—breaking the habit of a lifetime. Rather, I am giving voice to an opinion that I formed almost 40 years ago, when I listened to the voices of the British establishment—the members on the front benches of the House of Commons—debating their duty to join the then Common Market, to see it through, to follow the path of righteousness and to do things the British way.

At that time, the finest products of Eton and Oxbridge were wrong to think that the French and the Germans would simply stand aside and let them take over. Similarly, the camp followers of the Blair crusade to do it the third way are wrong and arrogant to assume that they can claim leadership of the EU.

It is true that the Tories can claim some leadership. Mrs Thatcher, along with Mitterrand and Kohl, developed the single market. I know that the Tories will not thank me for reminding them of that, but she did, and they have to live with the consequences. Roy Jenkins went native in Brussels, when he was president of the Commission, and the Labour party went in a huff. I remember the opt-outs from the socialist manifestos for the European parliamentary elections in the 1980s and 1990s.

I wonder whether Donald Dewar, as an old Jenkinsite, will thank me for asking whether he considers that record strong enough for the Executive to claim the right to lead the European Union. What does he think of the fact that the EU is moving ahead to consolidate its political development, now that the penultimate stage of its economic development—the euro—is in place, without the superior leadership qualities of the British Government?

The motion shows that although the Brits may have lost an empire, they have still not found a role big enough for their delusions of grandeur. It would be much better for the people who live in Scotland, and in England for that matter, to be represented in Europe by Governments without delusions of grandeur, which would approach the EU nations in a spirit of equality and fraternity.

That would be unlike our own dear, gifted and sensitive Foreign Secretary, who urged people in Scotland to stick with the leadership and power of Britain in Europe, as a region, rather than join the smaller nations which—according to him—have no clout in the EU. Today, even Donald Dewar, a sensitive man who has visited Europe loads of times, stated that we would be leaving the strength of the big player behind us in going out on our own.

We would not be going out on our own—we would be joining the other small nations of Europe. Perhaps when he sums up, the Deputy First Minister can tell us which small countries do not have the clout that Donald Dewar and Robin Cook want us to have. Is it Ireland, is it Finland, which currently has the presidency of the EU, or is it some of the applicant nations? Is the EU kidding on those nations that they will amount to anything if they join this club of the nations?

As the amendment says, Scotland as an independent country can play a full and proper role in Europe. I urge members to support the amendment.

16:31

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): The question was asked, in relation to some of the former Labour MEPs who are no longer with us, if I can put it that way, whether Labour members are allowed to speak out. As the former election agent for one of those former MEPs, I can safely say that I intend to say my piece. I am living proof that the Labour party, old, new, call it what you like, is here and is ready to engage in the debate in a positive and constructive manner.

This is the beginning of a debate on Europe—not the end. It is not the case that today we will vote on whether we join the euro. The UK Government has made its position clear. It will look to join at an appropriate time, when it is in the best interests of the country and when the people agree that that is the case. I think that means that the debate still has a considerable way to go.

As a member of the European Committee, I get loads of paperwork and I sometimes find interesting snippets of information. The UK is doing well on employment creation. That is reflected in the 1999 joint employment report from the European Union, which examines employment in the various member states. However, the report highlights a warning that is particularly relevant to my constituency:

“Against this relatively favourable background in the EU context, the UK labour market continues to display a significant share of young people, especially male, out of work or education, persistent pockets of long-term unemployment and/or inactivity among older people”.

That is the agenda which we ought to address with the other member states. How are we to tackle the unemployment that has persisted for a substantial length of time? How will we regenerate local communities, and how will we do it in a way that balances the needs of inward investors with those of the indigenous community?

It has been said repeatedly today that we must be in control of our own destiny and that the Tories would opt out of certain matters if they had their way. Let me tell members, if they have not already worked it out: it is not as simple as that, as we live in a global economy. That was made clear at a meeting that I attended at lunchtime today.

That meeting was arranged so that some of the issues that will be on the agenda at the forthcoming World Trade Organisation conference could be addressed. One was:

“Trade agreements already have an impact. Narrow commercial issues are being allowed to overturn rules on public health, the environment and support for small farmers. The WTO rules are failing to protect EU consumers from imports of hormone-injected beef; failing small banana farmers in the Caribbean and failing to conserve the environment. Even the EU’s regulations on genetically modified crops and labelling for GM foods are likely to come under threat from a challenge at the WTO by the US.”

That is the reality of our global economy. We ignore it at our peril.

The Deputy Presiding Officer: We now come to the winding-up speeches. I ask members to adhere to their time limits. Keith Raffan will wind up for the Liberal Democrats.

16:35

Mr Keith Raffan (Mid Scotland and Fife) (LD): It is over 30 years since I spoke at my first pro-European rally. I was perched somewhat precariously on the sloping base of Nelson’s column in Trafalgar square. There were a number of senior Tories alongside me on the base of the column. All of them, bar one, have now left the Conservative party because of Europe, and almost all of them are members of the Liberal Democrat party. Those are the divisions on Europe that have afflicted the Conservative party over the past 30 years.

I am not surprised that Ben Wallace did not give way. He did not give way because he could not answer the question that I was going to ask.

Alex Johnstone (North-East Scotland) (Con): How could he have known what the member would ask?

Mr Raffan: He never does answer questions, so why should he change now?

One must admit that there is a neat symmetry

between the Conservative party and the Scottish National party. The Conservative party was passionately pro-Europe back in the early 1970s and it took us into Europe. Now it is bitterly hostile; it is a party of bunker Toryism.

Miss Annabel Goldie (West of Scotland) (Con) *rose—*

Mr Raffan: No, I am not giving way. I have a very short time.

That phrase—bunker Toryism—is used by the president of the Conservative party in Scotland, Sir Malcolm Rifkind. He now describes Conservative policy on Europe as bunker Toryism because so many of the Conservatives want to renegotiate membership of the European Union and they are intolerant of those who are pro-euro. A former Prime Minister describes their policy as absurd and crazy. Douglas Hurd, as George Lyon said, describes current Conservative policy as a caricature not in touch with reality. He must have been gazing on Phil Gallie at the time. That is what the Conservative party has been reduced to.

The Liberal Democrats are the most consistently pro-European party in the chamber, and we are proud of that. We are proud of it because, passionately and consistently, we have been pro-Europe. That is one of the principal reasons why I joined the party and why I am proud to be a member. The Liberal Democrats are not uncritical supporters of the European Community and the European Union.

Mr Salmond *rose—*

Mr Raffan: I am sorry, but I do not have time. I would like to give way, but I have only one minute left. I will try to give way. Mr Salmond has given way to me in the past.

Tavish Scott made the crucial point about our policy in Europe. Earlier this year the then two Liberal Democrat MEPs, Graham Watson and Robin Teverson, were the first to put down a motion censuring the two commissioners who were principally responsible for mismanagement within the Community. We have called for action against fraud, and to tackle waste and inefficiency. My colleague and friend Andrew Duff, MEP for Eastern England, has been taking the lead on the setting up of the European anti-fraud office, OLAF, to which Tavish Scott alluded.

I am happy to give way to Alex Salmond.

Mr Salmond: Can Mr Raffan tell me whether the Liberal Democrat policy on the euro is the same as the Labour party's policy? If not, what are the points of difference?

The Deputy Presiding Officer: You have one minute, Mr Raffan.

Mr Raffan: We have been consistently pro the

single currency. We believe that the convergence criteria must be met, and we want to go in at the earliest opportunity. We have been consistent in that policy.

I would like Mr Salmond to explain how the SNP went from being bitterly hostile to Europe to being pro-Europe. That was a very convenient conversion. "It's Scotland's Oil" failed, so the SNP now uses the slogan of "Independence in Europe". It hopes that that will get it over the separatist problem that it faces as a political party. *[Interruption.]*

The Deputy Presiding Officer: Order.

Mr Raffan: The SNP never mentions Ireland now as the great example of what it would like Scotland to be. With the enlargement of the Community and the reform of structural funds, the SNP knows that we will not get the kind of support that it always claimed we would get if we were independent within Europe.

The Deputy Presiding Officer: Please close, Mr Raffan.

Mr Raffan: Another reason why the SNP never alludes to Ireland is that it is a high-tax economy. That is exactly what Scotland would be under the SNP.

Ms MacDonald: Will Mr Raffan give way?

Mr Raffan: Mr Salmond need not ask the Liberal Democrats about policy. He has a lot to do to explain his own—not least his interest rate policy. He will not let the Bank of England set interest rates, but he is ready to let the European Bank set them.

The Deputy Presiding Officer: Please close, Mr Raffan.

Mr Raffan: Let Mr Salmond tell us about his policies before he questions us about ours.

16:39

Miss Annabel Goldie (West of Scotland) (Con): I have never looked up at the Church of Scotland's motto, "Nec tamen consumeatur", with such feeling. The classics obviously desert Mr Raffan, like reason and most other attributes.

I wind up with pleasure for the Scottish Conservatives in this debate. In a positive mood, I am minded to look again at the terms of the motion and to remind the chamber of what we are supporting. The motion begins by saying:

"That the Parliament endorses the Scottish Executive's policy of continued positive engagement within the European Union".

We have made it clear that we do. The purpose of our amendment is to express concern about one aspect of European policy, which is, of course, the

euro.

The Conservative party sees tremendous opportunities in Europe and has never pretended otherwise. Interestingly, the advent of this Parliament provides a positive European dimension for Scotland, as does Scotland House—I share Dr Ewing's view on that.

I have to make those points clear because in the hurly-burly of the debate, naturally, much abuse and vitriol have been slung at my party. We acknowledge that, but reserve the right to defend our position and to make it clear that there have been misrepresentations and calumnies.

On the euro, it is fair for the Conservative party to observe that the Liberal Democrat policy, as outlined by Mr Raffan, is not entirely clear and does not align with the policy of the Labour party. As Dr Ewing says, the policy of the SNP is clear: it wants to go into the euro now. We do not share that view.

The Labour party's policy is the most interesting—it is spoken with all the enthusiasm of the suitor. The policy is that the euro is a wonderful proposition—"Let us go in, in due course, at some unspecified point in the future, when we think that it might be all right, but do not ask us when because we do not really know."

It is much more honest to adopt the Conservatives' position. We say clearly that we do not think that it is safe or in the interests of the UK to go into the euro just now, and that we do not think that we should go in during this Parliament or the next. That provides clarity. *[Laughter.]* Members in other parties may laugh—if I were in their position of embarrassment, I, too, would laugh.

Andrew Wilson *rose*—

Miss Goldie: The Scottish Conservatives' stance is not, "Non, non, non." It is, "Nous pouvons faire mieux." In case the language skills of my friends in the chamber are on a par with their Latin, that is the French for, "We can do better." By "we", the Scottish Conservatives mean not just this chamber, or Scotland, but the United Kingdom.

We contend that we can do better. We believe that within Europe we can press for enlargement to be made a top priority, not from some doctrinaire view, but because it is an historic opportunity to advance free trade, free markets, deregulation and co-operation.

Mr Salmond: Ben Wallace's view was that the euro inevitably meant a federal state, which implies that the Conservative party could never be in favour of the euro. What is the Conservative position? Does the euro inevitably mean a federal state? Does that imply that the Conservatives can

never support it?

Miss Goldie: Those are not the terms of our amendment. Ben Wallace made the fair point that the euro clearly has constitutional implications that point to a federal state. We do not know whether that will be the outcome; hence our preservation of flexibility. We are not rushing this country into anything, but are standing back to see what happens. We can then take an informed decision, rather than one into which we are bullied by some form of political dogma.

We want Europe to work and have no interest in Scotland being in a weak or unsuccessful Europe. We believe that Europe can work better if there is greater openness in decision making in Brussels and if there is improved ministerial accountability, with new procedures at Westminster. Above all, the British citizen wants to know what is being agreed to in Europe. There is some merit in investigating whether Euro-budgets can be reduced and whether spending priorities can be reformed. We would certainly oppose any attempt to abolish UK frontiers or any further erosion of the British veto.

We believe that, although every member state must accept the rights and responsibilities of the single market and core elements of an open, free-trading and competitive Europe, Governments should have greater freedom in deciding which other aspects of European policy to adopt. That is why we advocate the flexibility clause. This is not a party—

George Lyon: Will the member give way?

Miss Goldie: I am terribly sorry—I am just winding up.

The Conservative party is not opposed to Europe—very far from it. This party has the courage to examine Europe objectively and vigorously and to suggest changes because we want Europe to work and want to remain in Europe.

16:45

Mr John Swinney (North Tayside) (SNP): We have heard lots today about the European Union's importance for Scotland, but I am intrigued by the length of time that we have spent debating it. It is the same amount of time that we plan to spend tomorrow debating the Maximum Number of Judges (Scotland) Order 1999. The allocation of so much time to such an issue has short-changed the Parliament. It may be that there are big issues to settle tomorrow. The right hon Menzies Campbell QC MP may be raised to the bench. Given her performance at Scottish question time in the House of Commons yesterday, the Advocate General for Scotland, Dr Lynda Clark MP, most

certainly will be raised to the bench fairly soon, if my judgment is anything to go by.

I regret that today's debate has been short-changed, as many of my colleagues wanted to speak, as I am sure many other members did. My colleague and friend Dr Winnie Ewing made a substantial speech on the real issues for the future of European relations and their importance to various sectors of the Scottish economy. I would have liked the opportunity to hear more members make contributions to the debate of the sort that she made, which was based on her many years of distinguished service in the European Parliament.

There was controversy during the debate about how well the Scottish Conservative and Unionist party performed in the European elections on 10 June. The Conservatives did not do as well as they claimed. They did not come first in all the Liberal Democrats' seats. The SNP beat the Liberal Democrats in Argyll and Bute, Ross, Skye and Inverness West, Caithness, Sutherland and Easter Ross and Gordon. Perhaps Conservative members should check the points that they make in interventions before they come to the chamber.

The First Minister's opening speech set an unfortunate tone for the debate. Of a speech lasting some 21 minutes, 15 minutes and 32 seconds were spent attacking the Conservatives and the Scottish National party, before we heard him spend six rather rushed and chaotic minutes trying to promote the Government's position.

Lewis Macdonald: Does the member accept that the leader of his party, Mr Salmond, spent 14 minutes and 50 seconds attacking the Executive and one minute and 35 seconds promoting the SNP's policies?

Mr Swinney: I believe that to be absolute rubbish, but we will wait to see the *Official Report* tomorrow to determine whether that was the case.

The explanation of the Conservative party's position has left many people rather bewildered. I certainly am not clear after the various exchanges today whether the Conservatives rule out membership of the single European currency for ever, although I listened carefully to the debate. I suspect that they do not rule it out for ever, because they realise that they cannot. That reality affects even the Conservative party.

Sir Malcolm Rifkind has sent siren warnings to the Conservatives recently. He has referred to the current Conservative position as

"little more than a euphemism for us to quit Europe".

We need to know whether the stance on Europe of Conservatives in the Scottish Parliament is identical to the stance of Conservatives in the House of Commons and, if it is, whether that is because there is a voluntary agreement between

the two parliamentary parties, or because Scottish Conservatives have been told to do what William Hague and his colleagues in the House of Commons believe is appropriate.

The other major issue that has been debated today is representation. The First Minister said that he wanted Scotland to be fully and directly involved in the European Union. I could not agree with him more. That statement is on a par with the statement about being at the heart of Europe. We know that such one-liners can sometimes go horribly wrong when the soundbites are not supported by action. It is lamentable when the First Minister tells Parliament that Scotland is to be fully and directly involved in the European Union and then fails to explain why, of 30 council meetings, Scottish Executive ministers were present at only one. Luxembourg, with a population of 429,000, Ireland, with a population of 3,600,000, Denmark, with a population of 5.3 million and Finland, with a population of 5.1 million, have all been fully involved in Europe during all the time that Scotland has been represented at one council meeting. That is a lamentable performance by the Scottish Executive and one for which it must be held to account.

We have heard a great deal in today's debate about the euro and interest rates. The points that Mr Salmond made about short-term interest rates over the long term were neatly dodged by the First Minister. He, perhaps along with other ministers, should tell us—I am sure that the Deputy First Minister will touch on this in his summing up—about the concerns that have been expressed by organisations such as the Scottish Council Development and Industry. In its most recent survey of manufacturing exporters, that organisation found that 87 per cent of all businesses surveyed believed that their business had been badly affected by the high value of sterling, and that 69 per cent of them had lost export orders. Those are real pieces of statistical evidence for companies based in Scotland, and they cannot be disregarded as cavalierly as ministers have done today.

We in this Parliament have high expectations. The concordat said:

"Ministers and officials of the devolved administrations should have a role to play in relevant Council meetings, and other negotiations with EU partners."

In today's debate, the performance of the Executive in that regard has been found to be lamentable. The Executive has been represented at one meeting out of 30, a performance that is unacceptable to this Parliament and which should be unacceptable to the Executive. That leads me to the conclusion that the Executive is not pushing the interests of this Parliament or this country within the UK negotiating position. Instead, it is

leaving it to others to represent—or should I say misrepresent—the position of this Parliament and the Executive that is supposed to serve it. Normal, equal relations and a strong voice for Scotland will be delivered only when we have direct representation in the European Union, through independence. That is what the Scottish National party will argue for.

16:52

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): I welcome the opportunity to have this debate today. I will not spend time bandying around how many minutes speakers spent attacking others, but I note in passing that Mr Swinney spent a minute talking about tomorrow's debate before he got on to talking about today's.

Today's debate clearly demonstrated one or two things. I think that a majority in this Parliament shares our view that the Scottish Executive should continue to pursue a close positive relationship with the European Union. That was the view expressed by a number of speakers. I think that it is the general view of the SNP that we should have a close involvement with the European Union. Tavish Scott expressed that wish on behalf of the Liberal Democrats. Lewis Macdonald made the same point. Irene Oldfather talked specifically about the importance of enlargement and the additional markets that it can bring to Scotland. Cathy Jamieson talked about the need to tackle unemployment and deprivation on a Community-wide basis.

It is important that we remember that yesterday marked the 10th anniversary of the fall of the Berlin wall and the opportunities that that created for enlargement in Europe and for the peoples of Europe to come together. Tomorrow, of course, we will remember the armistice of 11 November 1918. What inspired the founders of then European Community in the aftermath of the second world war was the need to bring together the nations of western Europe in particular. The fact that we have had more than half a century of peace in western Europe is a great tribute to the vision of those who set up the original European institutions, which have developed over the years.

It is also important that the work that Scotland House is doing was acknowledged. Alex Salmond said that he had sought to discover from the Scottish Executive website who was the minister responsible for Europe.

Roseanna Cunningham (Perth) (SNP) rose—

Mr Wallace: I will give way in a moment.

All ministers have responsibility for the European dimension of their departmental

responsibilities, but the First Minister and I take the lead, as we have done today. Jack McConnell co-ordinates policy over the whole range of European issues, deals with European financing and is a member of the UK ministerial steering group on Europe.

Roseanna Cunningham: I am grateful to the minister for advising us that all the ministers in the Executive have European responsibilities with regard to their respective interests. Can he provide the Parliament with the details of his attendance at the informal justice ministers meeting at Tampere on 16 September, or was he not there? What about the justice and home affairs meeting of the Council of Ministers on 4 October in Luxembourg or the European summit at Tampere, or was he not there either? Is not the truth that the ministers of this Executive are not attending any of the relevant meetings?

Mr Wallace: I thank Ms Cunningham for her speech. The point is that, through the United Kingdom, Scotland has indeed been represented at all those meetings. But more than ministerial attendance is required—our officials have also been heavily engaged in preparing for the meetings. I met Jack Straw last week and he said that he would look forward to and encourage my involvement in European matters.

European Council meetings are not always relevant to us. I am told by Mr Finnie that the next meeting of agricultural ministers will be on the subject of flax and hemp. I hope that the Parliament will be sensitive, and not criticise Mr Finnie too much, if he does not think that attending a European Council meeting on flax and hemp is the best way of spending his time.

Roseanna Cunningham rose—

Mr Swinney rose—

Mr Wallace: No, I have given way to the lady already and she made a speech.

The other point that we—

Mr Salmond: Will the minister give way?

Mr Wallace: No. Well, all right.

Mr Salmond: The next meeting of the agricultural ministers may be about flax and hemp, but a meeting two months ago was about animal diseases such as the one affecting the salmon industry in Scotland. Why were ministers from the Scottish Executive not there?

Mr Wallace: I have already made it clear that Scottish ministers and officials have a direct input to those meetings. For example, Mr John Home Robertson not only attended the most recent Fisheries Council, but led for the United Kingdom.

Mrs Margaret Ewing (Moray) (SNP) rose—

Mr Wallace: Sarah Boyack has also, I think, taken part in an important informal meeting of ministers, as has Mr Sam Galbraith. The statements being made are not a fair reflection of the involvement of Scottish ministers, who, in addition to attending those meetings, have met many of the senior commissioners, especially during that week in Brussels. Our involvement in the European Union is quite considerable. I am sure that it will grow, develop and deepen as this Parliament continues.

Another clear point is that, because the European Union is the largest single market, we need to be part of it. For too long, this country has had a somewhat ambivalent attitude towards Europe. The ambivalence of the Conservative party came through today—a flexible approach that seems to be an opt-out approach. Mr Chris Patten described that kind of opt-out approach as incomprehensible. It says something about the state of the Conservative party when someone as distinguished as Douglas Hurd is swept aside and dismissed as was done by Mr McLetchie in his speech.

David McLetchie *rose*—

Phil Gallie *rose*—

Mr Wallace: The forces of anti-Europeanism, if unchallenged, will do real and fundamental damage to our national interest. That is why I am happy to play my part in Scotland in Europe (part of the Britain in Europe campaign).

David McLetchie: As the First Minister was so coy about it at question time a couple of weeks ago, will Mr Wallace please tell us the next planned activities for Britain in Europe—sorry—Scotland in Europe (part of the Britain in Europe campaign), which is the only campaign in Scottish political history that requires A3 paper just to accommodate its letterhead?

Mr Wallace: A very clear campaign is going on, to spell out the advantages of a positive engagement by Scotland and the United Kingdom in Europe. That contrasts greatly with the negative attitude that we see from the Conservative party, which takes the line of, “Lord, make me pure, but not yet.” We never hear whether it actually wants British membership of the euro. As a Liberal Democrat, my position is clear: I favour early entry by the United Kingdom to the single currency.

Phil Gallie: On that point, will the minister give way?

Mr Wallace: I am in my last minute.

Phil Gallie: Oh, please. [*Laughter.*]

Mr Wallace: I welcome the fact that, at United Kingdom level, the Government is being positive about Europe and has declared itself, in principle,

in favour of a single currency. It is important that we go in on terms that will bring long-term stability to the United Kingdom and to Scotland. When we consider the volume of exports from Scotland to the European Union, it is clear that our interests—the interests of business and the interests of our people—are most safeguarded by a much more positive involvement in the European Union and, indeed, in the euro, than has been the case until now.

Phil Gallie: Will the member give way?

Mr Wallace: I do not accept the Scottish National party's point that somehow or other we would be better off as an independent country within the European Union. I will not accept that because it foresees us breaking our single currency link with the rest of the UK although more than half of all exports from Scotland go to the rest of the UK, which is, at more than six times the size of the next largest market—France—the largest market for manufactured exports.

Andrew Wilson *rose*—

Mrs Margaret Ewing *rose*—

Mr Wallace: One party wants Britain out of Europe; one party wants Scotland out of Britain. The Executive proposes that Scotland's interests are best served by playing a positive part within the UK and by Scotland and the UK playing a positive part in Europe.

Phil Gallie: Will the minister give way now?

The Presiding Officer (Sir David Steel): The minister is winding up.

Mr Wallace: People are more likely to be able to buy their own homes, to go on holiday or to enjoy a comfortable retirement with Britain playing a full and involved part in the European Union instead of an isolated Britain or Scotland trying to go it alone. I commend the motion to the Parliament.

Decision Time

17:01

The Presiding Officer (Sir David Steel): There are three questions to be put as a result of today's business. The first is, that amendment S1M-258.1, in the name of Mr Alex Salmond, which seeks to amend motion S1M-258, in the name of the First Minister, on working together in Europe, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (North-East Scotland) (SNP)
Campbell, Colin (West of Scotland) (SNP)
Cunningham, Roseanna (Perth) (SNP)
Elder, Dorothy-Grace (Glasgow) (SNP)
Ewing, Dr Winnie (Highlands and Islands) (SNP)
Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
Ewing, Mrs Margaret (Moray) (SNP)
Fabiani, Linda (Central Scotland) (SNP)
Grahame, Christine (South of Scotland) (SNP)
Hamilton, Mr Duncan (Highlands and Islands) (SNP)
Hyslop, Fiona (Lothians) (SNP)
Ingram, Mr Adam (South of Scotland) (SNP)
Lochhead, Richard (North-East Scotland) (SNP)
MacAskill, Mr Kenny (Lothians) (SNP)
MacDonald, Ms Margo (Lothians) (SNP)
Marwick, Tricia (Mid Scotland and Fife) (SNP)
McGugan, Irene (North-East Scotland) (SNP)
McLeod, Fiona (West of Scotland) (SNP)
Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
Neil, Alex (Central Scotland) (SNP)
Paterson, Mr Gil (Central Scotland) (SNP)
Quinan, Mr Lloyd (West of Scotland) (SNP)
Reid, Mr George (Mid Scotland and Fife) (SNP)
Robison, Shona (North-East Scotland) (SNP)
Russell, Michael (South of Scotland) (SNP)
Salmond, Mr Alex (Banff and Buchan) (SNP)
Sturgeon, Nicola (Glasgow) (SNP)
Swinney, Mr John (North Tayside) (SNP)
White, Ms Sandra (Glasgow) (SNP)
Wilson, Andrew (Central Scotland) (SNP)

AGAINST

Aitken, Bill (Glasgow) (Con)
Alexander, Ms Wendy (Paisley North) (Lab)
Baillie, Jackie (Dumbarton) (Lab)
Barrie, Scott (Dunfermline West) (Lab)
Boyack, Sarah (Edinburgh Central) (Lab)
Brankin, Rhona (Midlothian) (Lab)
Brown, Robert (Glasgow) (LD)
Canavan, Dennis (Falkirk West)
Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
Curran, Ms Margaret (Glasgow Baillieston) (Lab)
Davidson, Mr David (North-East Scotland) (Con)
Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
Douglas-Hamilton, Lord James (Lothians) (Con)
Ferguson, Patricia (Glasgow Maryhill) (Lab)
Fergusson, Alex (South of Scotland) (Con)
Finnie, Ross (West of Scotland) (LD)
Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
Gallie, Phil (South of Scotland) (Con)

Gibson, Mr Kenneth (Glasgow) (SNP)
Gillon, Karen (Clydesdale) (Lab)
Godman, Trish (West Renfrewshire) (Lab)
Goldie, Miss Annabel (West of Scotland) (Con)
Gorrie, Donald (Central Scotland) (LD)
Grant, Rhoda (Highlands and Islands) (Lab)
Gray, Iain (Edinburgh Pentlands) (Lab)
Harding, Mr Keith (Mid Scotland and Fife) (Con)
Henry, Hugh (Paisley South) (Lab)
Hughes, Janis (Glasgow Rutherglen) (Lab)
Jackson, Dr Sylvia (Stirling) (Lab)
Jackson, Gordon (Glasgow Govan) (Lab)
Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
Johnston, Mr Nick (Mid Scotland and Fife) (Con)
Johnstone, Alex (North-East Scotland) (Con)
Kerr, Mr Andy (East Kilbride) (Lab)
Lamont, Johann (Glasgow Pollok) (Lab)
Lyon, George (Argyll and Bute) (LD)
Macdonald, Lewis (Aberdeen Central) (Lab)
Macintosh, Mr Kenneth (Eastwood) (Lab)
MacKay, Angus (Edinburgh South) (Lab)
MacLean, Kate (Dundee West) (Lab)
Macmillan, Maureen (Highlands and Islands) (Lab)
Martin, Paul (Glasgow Springburn) (Lab)
McAllion, Mr John (Dundee East) (Lab)
McAveety, Mr Frank (Glasgow Shettleston) (Lab)
McCabe, Mr Tom (Hamilton South) (Lab)
McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
McGrigor, Mr Jamie (Highlands and Islands) (Con)
McIntosh, Mrs Lyndsay (Central Scotland) (Con)
McLeish, Henry (Central Fife) (Lab)
McLetchie, David (Lothians) (Con)
McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
McNeill, Pauline (Glasgow Kelvin) (Lab)
McNulty, Des (Clydebank and Milngavie) (Lab)
Monteith, Mr Brian (Mid Scotland and Fife) (Con)
Morrison, Mr Alasdair (Western Isles) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Mulligan, Mrs Mary (Linlithgow) (Lab)
Mundell, David (South of Scotland) (Con)
Murray, Dr Elaine (Dumfries) (Lab)
Oldfather, Ms Irene (Cunninghame South) (Lab)
Peacock, Peter (Highlands and Islands) (Lab)
Peattie, Cathy (Falkirk East) (Lab)
Radcliffe, Nora (Gordon) (LD)
Raffan, Mr Keith (Mid Scotland and Fife) (LD)
Robson, Euan (Roxburgh and Berwickshire) (LD)
Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
Scanlon, Mary (Highlands and Islands) (Con)
Scott, Tavish (Shetland) (LD)
Smith, Elaine (Coatbridge and Chryston) (Lab)
Smith, Iain (North-East Fife) (LD)
Smith, Margaret (Edinburgh West) (LD)
Stephen, Nicol (Aberdeen South) (LD)
Thomson, Elaine (Aberdeen North) (Lab)
Tosh, Mr Murray (South of Scotland) (Con)
Wallace, Ben (North-East Scotland) (Con)
Wallace, Mr Jim (Orkney) (LD)
Watson, Mike (Glasgow Cathcart) (Lab)
Welsh, Ian (Ayr) (Lab)
Whitefield, Karen (Airdrie and Shotts) (Lab)
Wilson, Allan (Cunninghame North) (Lab)
Young, John (West of Scotland) (Con)

ABSTENTIONS

Harper, Robin (Lothians) (Green)

The Presiding Officer: The result of the division is as follows: For 30, Against 85, Abstentions 1.

Amendment disagreed to.

The Presiding Officer: The second question is, that amendment S1M-258.2, in the name of David McLetchie, which also seeks to amend motion S1M-258, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Aitken, Bill (Glasgow) (Con)
Davidson, Mr David (North-East Scotland) (Con)
Douglas-Hamilton, Lord James (Lothians) (Con)
Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
Fergusson, Alex (South of Scotland) (Con)
Gallie, Phil (South of Scotland) (Con)
Goldie, Miss Annabel (West of Scotland) (Con)
Harding, Mr Keith (Mid Scotland and Fife) (Con)
Johnston, Mr Nick (Mid Scotland and Fife) (Con)
Johnstone, Alex (North-East Scotland) (Con)
McIntosh, Mrs Lyndsay (Central Scotland) (Con)
McLetchie, David (Lothians) (Con)
Monteith, Mr Brian (Mid Scotland and Fife) (Con)
Mundell, David (South of Scotland) (Con)
Scanlon, Mary (Highlands and Islands) (Con)
Tosh, Mr Murray (South of Scotland) (Con)
Wallace, Ben (North-East Scotland) (Con)
Young, John (West of Scotland) (Con)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
Alexander, Ms Wendy (Paisley North) (Lab)
Baillie, Jackie (Dumbarton) (Lab)
Barrie, Scott (Dunfermline West) (Lab)
Boyack, Sarah (Edinburgh Central) (Lab)
Brankin, Rhona (Midlothian) (Lab)
Brown, Robert (Glasgow) (LD)
Campbell, Colin (West of Scotland) (SNP)
Canavan, Dennis (Falkirk West)
Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
Cunningham, Roseanna (Perth) (SNP)
Curran, Ms Margaret (Glasgow Baillieston) (Lab)
Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
Elder, Dorothy-Grace (Glasgow) (SNP)
Ewing, Dr Winnie (Highlands and Islands) (SNP)
Ewing, Mrs Margaret (Moray) (SNP)
Fabiani, Linda (Central Scotland) (SNP)
Ferguson, Patricia (Glasgow Maryhill) (Lab)
Finnie, Ross (West of Scotland) (LD)
Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
Gibson, Mr Kenneth (Glasgow) (SNP)
Gillon, Karen (Clydesdale) (Lab)
Godman, Trish (West Renfrewshire) (Lab)
Gorrie, Donald (Central Scotland) (LD)
Grahame, Christine (South of Scotland) (SNP)
Grant, Rhoda (Highlands and Islands) (Lab)
Gray, Iain (Edinburgh Pentlands) (Lab)
Hamilton, Mr Duncan (Highlands and Islands) (SNP)
Harper, Robin (Lothians) (Green)
Henry, Hugh (Paisley South) (Lab)

Hughes, Janis (Glasgow Rutherglen) (Lab)
Hyslop, Fiona (Lothians) (SNP)
Ingram, Mr Adam (South of Scotland) (SNP)
Jackson, Dr Sylvia (Stirling) (Lab)
Jackson, Gordon (Glasgow Govan) (Lab)
Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
Kerr, Mr Andy (East Kilbride) (Lab)
Lamont, Johann (Glasgow Pollok) (Lab)
Lochhead, Richard (North-East Scotland) (SNP)
Lyon, George (Argyll and Bute) (LD)
MacAskill, Mr Kenny (Lothians) (SNP)
Macdonald, Lewis (Aberdeen Central) (Lab)
Macintosh, Mr Kenneth (Eastwood) (Lab)
MacKay, Angus (Edinburgh South) (Lab)
MacLean, Kate (Dundee West) (Lab)
Macmillan, Maureen (Highlands and Islands) (Lab)
Martin, Paul (Glasgow Springburn) (Lab)
Marwick, Tricia (Mid Scotland and Fife) (SNP)
McAllion, Mr John (Dundee East) (Lab)
McAveety, Mr Frank (Glasgow Shettleston) (Lab)
McCabe, Mr Tom (Hamilton South) (Lab)
McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
McGugan, Irene (North-East Scotland) (SNP)
McLeish, Henry (Central Fife) (Lab)
McLeod, Fiona (West of Scotland) (SNP)
McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
McNulty, Des (Clydebank and Milngavie) (Lab)
Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
Morrison, Mr Alasdair (Western Isles) (Lab)
Muldoon, Bristow (Livingston) (Lab)
Mulligan, Mrs Mary (Linlithgow) (Lab)
Murray, Dr Elaine (Dumfries) (Lab)
Neil, Alex (Central Scotland) (SNP)
Oldfather, Ms Irene (Cunninghame South) (Lab)
Paterson, Mr Gil (Central Scotland) (SNP)
Peacock, Peter (Highlands and Islands) (Lab)
Peattie, Cathy (Falkirk East) (Lab)
Quinan, Mr Lloyd (West of Scotland) (SNP)
Radcliffe, Nora (Gordon) (LD)
Raffan, Mr Keith (Mid Scotland and Fife) (LD)
Reid, Mr George (Mid Scotland and Fife) (SNP)
Robison, Shona (North-East Scotland) (SNP)
Robson, Euan (Roxburgh and Berwickshire) (LD)
Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
Russell, Michael (South of Scotland) (SNP)
Salmond, Mr Alex (Banff and Buchan) (SNP)
Scott, Tavish (Shetland) (LD)
Simpson, Dr Richard (Ochil) (Lab)
Smith, Elaine (Coatbridge and Chryston) (Lab)
Smith, Iain (North-East Fife) (LD)
Smith, Margaret (Edinburgh West) (LD)
Stephen, Nicol (Aberdeen South) (LD)
Sturgeon, Nicola (Glasgow) (SNP)
Swinney, Mr John (North Tayside) (SNP)
Thomson, Elaine (Aberdeen North) (Lab)
Wallace, Mr Jim (Orkney) (LD)
Watson, Mike (Glasgow Cathcart) (Lab)
Welsh, Ian (Ayr) (Lab)
White, Ms Sandra (Glasgow) (SNP)
Whitefield, Karen (Airdrie and Shotts) (Lab)
Wilson, Allan (Cunninghame North) (Lab)
Wilson, Andrew (Central Scotland) (SNP)

ABSTENTIONS

McGrigor, Mr Jamie (Highlands and Islands) (Con)

The Presiding Officer: The result of the division is as follows: For 18, Against 96, Abstentions 1.

Amendment disagreed to.

The Presiding Officer: The third question is, that motion S1M-258, in the name of the First Minister, on working together in Europe, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Canavan, Dennis (Falkirk West)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Ms Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)

Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

ABSTENTIONS

Aitken, Bill (Glasgow) (Con)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Johnston, Mr Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Ian (Ayr) (Lab)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is as follows: For 66, Against 31, Abstentions 20.

Motion agreed to.

Resolved,

That the Parliament endorses the Scottish Executive's policy of continued positive engagement within the European Union; recognises that our full participation in Europe is vital to our present and future economic success and prosperity; and believes that Scottish businesses, communities and families are best served by our working together in leadership in Europe with the rest of Britain.

Borders Rail Link

The Presiding Officer (Sir David Steel): The final item of business is the members' debate on motion S1M-237, in the name of Christine Grahame, on the subject of the Borders rail link. Members who are staying for the debate should leave quietly and quickly in fairness to the member who has the debate.

More members have requested to speak in this debate than can possibly be accommodated—we have half an hour. I therefore ask members to be as succinct as possible.

I was on the last train on the Borders line. I feel that I am revisiting history. I am not allowed to take part in any campaign—I am totally neutral on the issue—but I hope that it is noted that I am here in the chair to take an interest in the debate.

Motion debated,

That the Parliament recognises the economic problems in the Borders and, appreciating the necessity for good transport links as crucial to the social and economic advancement of the area and acknowledging the pioneering work of Borders Transport Futures and the efforts of Campaign for Borders Rail, Scottish Borders Council, Scottish Borders Enterprise, and local MPs and MSPs of all parties, gives its support to the cross-party campaign for the restoration of a Borders rail link.

17:05

Christine Grahame (South of Scotland) (SNP): I think it is excellent that you are here, Sir David.

On 3 February 1962, on the closure of the Peebles through line, that great patriot, Wendy Wood, stood alone on the platform with an impromptu declaration, chalked on a blackboard. The legend read:

"Home rule will reopen the stations again".

I know that because someone who saw it at the time, as a boy, told me. He is Allan Maclean from Virgin Trains which, with Railtrack, has put in £10,000 for the current feasibility study.

In 1968, 600 tickets were sold each weekday on the Borders to Edinburgh stretch of the Waverley line. On 6 January 1969, the last passenger trains ran from Waverley station in Edinburgh along the 98 miles of track, stopping at, among other places, Eskbank, Newtongrange, Gorebridge, Heriot, Stow, Galashiels, Melrose, Newton St Boswells, Hawick, Newcastleton, Longtown and Carlisle.

The journey came after a long campaign to keep rail in the Borders, which we represent in part today. Other parties are named in the motion. Some of those who campaigned are sitting on official chairs in the chamber. Some of us are members of the all-party campaign for Borders

rail.

The campaign will not end until the last bit of track connects Waverley, through Gala and Hawick, to Carlisle. That is the position whatever the feasibility study delivers. Feasibility studies, I say to Ms Boyack, are constrained within their terms of reference, which I and other members do not know.

The real terms of reference are whether the Borders will prosper with or without the railway line. I need no feasibility study to direct me on that one. Should the feasibility study indicate a link only as far as Gorebridge, it is not a Borders railway line by definition, because it does not touch the Borders—it would be a suburban link to Edinburgh.

The decision to close the line was taken for the wrong reasons at another time, when rail was seen as a burden on the nation's purse and road and the motor car were seen as the great liberators. There were promises about public transport, even of buses that would run on the old line.

There are some interesting contemporary quotations:

"I cannot understand why any government setting out on development in the Borders should take away travel facilities."

That was said by a Mr Campbell, a Melrose minister. True then, true now.

Another reads:

"The government have ignored the advice of their own Borders Economic Consultative Group and have cut off the remaining railway arteries through an area they are pledged to develop".

That person also called the closing of the line a "catastrophic" decision—a very young David Steel.

Last night, the Moderator of the Church of Scotland, sporting a campaign sticky, told me of the Reverend Brydon Mabon, minister at Newcastleton, who lay across the line and was jailed for his protest. Some of us got an e-mail from the presbytery of Jedburgh acknowledging that and supporting the campaign.

Today, 108,000 people are still without a railway station, compared with 250,000 with 57 stations in the Highlands. Borderers and highlanders have much in common, but there is one glaring difference. I suggest that that difference has had social, environmental and economic impacts at the very root of Borders society.

On the social impact, a pertinent question in the Borders might be, "Where have all the young people gone?" Scottish Borders has the highest proportion of people over pensionable age; almost 40 per cent are over 50. That has implications for

the development of a balanced society and an obvious impact on various support services. The young people have left to find work, in the main, and to have access to the perceived attractions of the cities.

On the environmental impact, as the A68 and A7 are the main arteries to the rest of Scotland, we are all too aware of how inadequate the road links are—even on the bonniest, driest autumn day—for commuters in either direction and certainly for freight. The topography of the Borders, which makes the area suitable for the mills and the sheep, does not lend itself to the relentless and continual expansion of tarmac.

I now turn to the economic impact. One woman's crisis is another man's problem. On the economic Richter scale, from electronics through textiles to the beleaguered farmers and the fragile tourism trade, the Borders remains very vulnerable, however we look at it, yet the area has a keen and stable work force, its natural amenity is unsurpassed and it forms the natural corridor from Scotland to the south.

The area's vulnerability and decline will continue until one radical, simple step—the railway line—is taken by the Executive. That step would meet the needs not only of the Borders, but of Scotland and beyond. From it would flow prosperity in economic growth and quality of life. In the new millennium, that step would signal mature thought on transport for the next century, benefiting country and town.

We choke on the fumes of cars that move through our congested cities more slowly than a pedestrian would and the great and expensive motorways conduct traffic nose to tail. Villages are shaken by the thunder of articulated lorries hauling felled forests on winding country roads. People in the cities contract road rage and people in the country are isolated by the cost of car and fuel. The time for rail is now.

The vision of a Borders railway that fuses with an urban network in Edinburgh, as proposed by CRAG—the Capital Rail Action Group—is the way forward. That would give Borderers and freight access to and from the city and encourage the flow of entrepreneurs to set up homes and businesses in the Borders, thus redressing the current demographic imbalance. Railtrack is keen, Virgin Trains is keen, ScotRail is keen, we are keen—but what of the Executive? The heart may be willing but I suspect that the head is not.

The cost of reinstating the line will be £100 million—possibly more. The cost of the line to Gala would be £25 million. Where is that money in the transport budget? Gordon Brown has gathered stealth taxes from the motorists of Britain, let alone Scotland, with his fuel escalator. He has built up a war chest for the next election. He has his

priorities and I suspect that they are not those of the Borders people. Westminster will pay out billions for the Thames barrier, for the Jubilee line to the London docklands and for Trident, but—unless we keep beating at the Treasury's door—not the comparative pocket money that a Borders rail line would cost. Compared with the Goliath that is greater London, the Borders is David—but we know who won that combat against the odds.

Fine words are no use if action does not follow. A political commentator recently bemoaned the Opposition's lack of ideas. I give him Borders rail as an idea whose time has come. Let that be a test of the Scottish Parliament. The Borders people want their rail line, which a Labour Government wrongly took away from them 30 years ago. I call on the coalition to put that right now. Many people believe that this Parliament will not act; they have come to expect so little from their politicians. I have a petition with thousands of signatures from Borderers and more signatures are being gathered every day. All it takes is political will. Let this Parliament prove that Wendy Wood was right. Let home rule open the stations again.

17:14

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): I, too, am glad that you are here, Sir David. I remember that, in around 1965, you gave me a rather grubby copy of a report that you had compiled about the railway.

Last week, when we discussed the strategic roads review, the minister said frequently that travellers must be given a choice. As she will know, my constituents have virtually no choice in transport. There is no sea transport—although that is no one's fault—no air transport and no rail transport. There are only roads, and they are, as Christine Grahame said, under severe pressure. There is a patchy bus service, but there are problems with the quality of the buses, timetables, accessibility and costs.

The choice for the Borders is clear—we must extend the rail system and create a permanent link to our capital and the rest of the nation. When people talk about the Waverley line, there is a danger that they talk about it nostalgically and sentimentally. We cannot work with nostalgia and sentiment. Rail campaigners are not looking backwards—although I do not say that they never look back—they are looking forwards to the sustainable future that we need.

We must be realistic. A feasibility study is coming. I welcome that and the information it will give us. If we are to change things—as we must—we must have vision, courage and commitment. We must be prepared to take serious note of the

feasibility study but we must also examine it critically. I hope that the study does not present only a technocrat's view—I want to see a vision of the potentially vibrant future that a rail link could bring to the Borders.

A rail link would create a corridor of economic activity that would bring jobs to the area and bring people to live, work and have their being there. It would help shops and trades to be viable in the future. It would give our people access to the heart of Edinburgh and it would give tourists access to the heart of the Borders. It would stop hundreds of cars coming and pumping out pollution and taking up hundreds of parking spaces. All those people could travel on a single train.

A line to Carlisle would give us access to the south and open up the Borders to English and European tourists. In the economic development plan that was endorsed by ministers such as Gus MacDonald and Brian Wilson, two of the main issues were the creation and maintenance of vibrant communities and making the Borders a connected place. Ms Boyack, you have a chance to do that with your decision on the rail link.

The transport infrastructure of the Borders must be improved—that includes roads, rail and public and private transport. The biggest single thing the minister could do is bring the railway to the Borders. If you and the people involved in the feasibility study really believe—as I think you do—in the value and importance of rail as a catalyst to sustainable economic growth and success, I ask you put your weight and authority behind the campaign to bring rail to the Borders.

I want you to go to your colleagues in the Scottish Executive—

The Presiding Officer: You are using too many yous again.

Ian Jenkins: I am sorry, Sir David. I want Ms Boyack—

The Presiding Officer: That is right.

Ian Jenkins: I used to think that your signature tune should be, "There'll Never be Another You" or, "You Drive Me Crazy". [*Laughter.*]

I hope that Ms Boyack will go to her colleagues in the Scottish Executive and ask them to make this a flagship project for Scotland. It is a project that embodies many of the ideas about transport that Ms Boyack espouses. Here is an opportunity to reduce the flow of commuter cars into the capital city; a chance to move freight from roads to rail; a chance to demonstrate the Executive's commitment to sustainability; above all, it is a chance to bring the Borders into the forward-looking Scotland that we all want to share.

Remember Dr Beeching. Where Dr Beeching

was destructive, I want Sarah Boyack to be creative. Where Dr Beeching made cuts, I want Sarah Boyack to promote the extension of the rail system. Where Dr Beeching made the Borders feel isolated, I want Sarah Boyack to bring Scotland together, for everyone's sake. I want her to show us that we are coming into a new era of sensible public transport policy where sustainability and economics come together. I want Sarah Boyack to follow her heart because I know that she really believes in this. We cannot afford not to take this chance.

17:20

Mr Murray Tosh (South of Scotland) (Con): I wonder how many members have used the Waverley line. I remember using it as a child when I was growing up in Hawick. The viaduct across the Teviot dominated the landscape. I remember my mother trailing me up to the station yard to pay the weekly coal bill and all the merchants who clustered round the station. The railway line was at the heart of the community and was an important artery.

I left Hawick in 1960 and have lived in many other parts of Scotland since. Wherever I have lived, there has been a train station. It would be hard to find a substantial community that does not have fairly ready access to a railway line.

Ian Jenkins and Christine Grahame are correct: the railway initiative relates to important issues for the Borders. There is a loss of young people in the area. There is a difficulty in attracting inward investment. There are deep-seated problems in the Borders of low wages and lack of variety of employment opportunities. I suggest to the minister that there is an important social inclusion aspect, particularly near Hawick, where it is difficult for people to travel distances to find employment.

Opening up a rail link from the central Borders in each direction would enhance the industrial and employment prospects of Borders people and afford an important boost to tourism. I hope that the Executive will see this as a strategically important economic and social issue. I think that there is substantial support for the motion from all parties.

I will stop at that point as I realise that many members want to speak.

The Presiding Officer: That is greatly appreciated. I call Adam Ingram.

Mr Adam Ingram (South of Scotland) (SNP): I have not made a request to speak, Sir David.

The Presiding Officer: I am sorry, I have you on my list. I call Mike Russell.

17:22

Michael Russell (South of Scotland) (SNP): There is no doubt that, throughout the Borders, there is a tremendous desire for an improvement in the quality of life, for jobs to be created and to enter the 20th century, if not the 21st. It seems that, when development takes place, other places are given priority and Borders people feel left out.

The fact that we are having this debate symbolises the fact that the Borders deserves attention from the Parliament. If one were to poll the people of the Borders on what issue they would like attention to be paid to, the No 1 issue would be that their area should feel connected again to the whole of Scotland and particularly to Edinburgh.

There are questions about the viability of a rail link that would go all the way to Carlisle. The essential nature of the debate, however, is the ability of the Executive to give the people of the Borders an indication that they are being listened to and that there is a desire to help them.

I am always nervous when we get to a debate and the Executive has not leaked anything. It makes me think that we will not hear anything from it in the debate. It is possible, however, that the minister is holding on to a nugget of information that she will allow us to have. If that is the case, we will be immensely grateful. However, if the people of the Borders hear nothing, that will send a message that will not be lost on them.

There is a great deal of resentment about what happened with Viasystems, a matter that my friend Christine Grahame was deeply involved in. There is resentment over the continuing erosion of traditional industries, not only in textiles but in farming.

If, today, the people in the Borders hear that nothing, or that the minimum, is to happen, that message will be pressed home strongly in the area—not just by the minister's party, but by a party that is in partnership and seems to have gained little out of that partnership. I ask the minister to give us some hope.

The Presiding Officer: If members are brief, I shall try to allow everyone to speak.

17:25

Euan Robson (Roxburgh and Berwickshire) (LD): I pay tribute, as is done in the motion, to those who have campaigned steadfastly over many years for a rail link to the Borders. Between 1969 and 1970, a short-lived Border union railway company pioneered some work. Recently, Borders Transport Futures Ltd has kept the flame alive.

A formidable and perhaps unexpected ally recently emerged in the shape of Mr John Nelson,

the former director of Network SouthEast and the east-coast main line manager at the time of electrification. He told *Rail* magazine:

"I am convinced the Waverley scheme is a runner. When I first heard of it, I admit I was very sceptical, but I have met Borders Transport Futures, visited the route and came back thinking 'It's not a crazy idea'."

Mr Nelson says that there is a strong case for considering a third Anglo-Scottish through-freight route, because the east-coast railway line is already booked solid and the west-coast line may soon follow suit. He says:

"The line has to be properly project-managed. It's a case of taking it a piece at a time."

That is clearly the way forward. We should not regard this as simply a branch line of the railway network; we should view it as a national scheme. We should not worry about spreading the costs over several years, as there are huge advantages in doing so. If someone takes the line to St Boswells, for instance, they may then be able to go in two separate directions—down to Hawick and through to Newcastleton, or to the eastern Borders on a link through to Berwick.

I urge the minister to give due consideration to the feasibility study and I endorse what other members have said. The Borders is awaiting some action. Furthermore, this should not be regarded as a project simply for one part of Scotland; it would benefit the whole nation.

Christine Grahame: I ask the Presiding Officer whether the debate can be extended, to allow as many members as possible to speak.

The Presiding Officer: Much as I would, personally, like to do that, I must stick to what I agreed with the other Presiding Officers, which was published in the business bulletin yesterday. We will not normally extend a member's business debate, and I cannot do so on this occasion.

Christine Grahame: In that case, at what time did this debate begin?

The Presiding Officer: The clocks are showing that 21 minutes have elapsed. We have 30 minutes for this debate. If members are brief, all will be able to speak.

Christine Grahame: Thank you.

17:28

Karen Gillon (Clydesdale) (Lab): I support the motion, although, unlike the Presiding Officer and Mr Murray Tosh, I am too young to remember the railway in the Borders. I was born and brought up in the Borders—as they say, you can take the person out of the Borders, but you cannot take the Borders out of the person. I am proud of that. It is an excellent regional community that is made up

of people who care very much about where they live and what they do. They are rightly proud of their local communities.

The extension of a railway line into the Borders would help to keep young people in the Borders— young people such as myself, who moved away because they had to go to university or for jobs, training or other education. A rail link from the Borders to Edinburgh would play a vital role in keeping those young people at home. It takes someone who lives in Jedburgh two hours and 10 minutes to travel by bus to Edinburgh, and it costs £6.25 for a single ticket. It is simply not feasible for a student to stay at home while maintaining their studies. That holds true throughout the Borders.

I welcome the feasibility study. It shows that, at last, a Government is taking the Borders seriously. It is an area of Scotland that has been neglected, and viewed as irrelevant, for far too long. The Borders is the entry to Scotland for many people, and what they see when they enter Scotland forms the impression that they have of the country. We should rightly be proud of the Borders and should seek to expand the opportunities that are available to people there. The extension of the rail link is an important step for the whole Borders community. I hope that the minister—in future, if not today—will be able to give that rail link her full support.

The Presiding Officer: If they take no more than a minute each, I shall allow Mr Mundell and Mr Harper to speak. I hope that they can manage that.

17:29

David Mundell (South of Scotland) (Con): I will use my minute on forestry. People in the southern part of the Borders, and perhaps in Dumfries and Galloway—in Canonbie, for example—have to live with forestry trucks going through their villages as timber is moved from two of the largest man-made forests in Europe, at Eskdalemuir and Kielder. The southern part of the proposed line would be an important infrastructural asset to get that timber out of Scotland without having lorries thundering through villages.

I also want to raise the issue of the enormous increase in the number of people who want to travel from Lockerbie to Edinburgh by train—the journey takes around 60 to 65 minutes by train, but by car it takes much longer. I hope that the minister, by putting pressure on Railtrack and its engineering practices, can allow that journey to be made more often. That exhibited desire shows that people will use services if they are available. Lockerbie to Edinburgh is one of the fastest-growing Virgin routes in Scotland.

17:31

Robin Harper (Lothians) (Green): I left pressing my button until last because I was born in Thurso. It is connected by rail to Edinburgh and I have taken a party of children there from Edinburgh by train. It is a well-used line.

Now that the fuel price escalator has been swept aside, only rail is left as a major way of achieving traffic reduction. There are enormous pressures to extend the road network, which would be entirely inappropriate in the Borders. As the minister knows, there are very strong environmental arguments for developing the railway.

I am a member of the Capital Rail Action Group, which is fairly advanced with its plans, so I would find it rather embarrassing if rail development in the Edinburgh area went ahead without any sign of the Borders railway being planned. A five or 10-to-15-year plan encompassing the various steps proposed for Borders rail is an essential part of planning for the Borders. So much in the future of the area in terms of forestry and other developments could come on line if we knew we would have the Borders railway.

The Presiding Officer: I have left the minister very little time. I will generously allow some overrun, but could you be as brief as possible.

17:33

The Minister for Transport and the Environment (Sarah Boyack): How little time, Sir David?

The Presiding Officer: We should finish in three minutes but obviously you cannot reply to the debate in three minutes.

Sarah Boyack: I will try to be brief. I thank Christine Grahame, who has taken an interest in reopening the Borders railway, for lodging the motion and for enabling us to have an all-party discussion on the issue.

I start by agreeing with the sentiments of the motion about the importance of railway lines to the economic and social well-being of any region. In that respect, the Borders stands out. The Scottish Executive's transport policy shares—indeed, has at its core—that general premise.

That premise underpins recent announcements such as the outcome of the strategic roads review and the latest round of public transport fund awards, which amount to £26 million. We know that good transport links are essential. That is as true for urban areas as it is for remote rural locations. The Borders railway feasibility study is part of an overall approach to improving rural transport. I do not want to look just at rail; I want to reflect on how we can improve choice for people in the Borders. The points were well made about car

dependency, infrequent services and the poor quality of public transport, which are problems for the elderly and the unemployed in particular.

I assure members that our response to those challenges has been to explore and support a number of practical steps, including innovative transport projects, such as voluntary or community transport initiatives through the rural transport fund and the public transport fund. The development of a national transport timetable will mean that people will know what choices are available and that we can strengthen existing public transport opportunities.

A working party with members from Scottish Borders Council, Scottish Borders Enterprise and the tourist board has done much work to tackle rural isolation in the Borders and to look at economic regeneration there—the investment made through that is important.

Recent developments have included the information and communications technology link to the Heriot-Watt campus at Galashiels, the links with Locate in Scotland to promote the area to inward investors and the new long-term jobs in Selkirk. The work that is being done is critical. It has led us to have the feasibility study to examine the Borders railway line. It is important to view the feasibility study as a positive development in itself. I assure members—

Dorothy-Grace Elder (Glasgow) (SNP) rose—

Sarah Boyack: No, I have so many—

Dorothy-Grace Elder rose—

The Presiding Officer: Order. If the minister is not giving way, Dorothy-Grace Elder, you cannot continue.

Sarah Boyack: There is general agreement that we need to consider a direct rail connection, inward investment and access to employment and learning opportunities, as Karen Gillon said.

We all know that the Beeching cuts were a tragedy but it is in that context that we must consider the feasibility of reinstating part, or all, of the Waverley line. I will not make showy announcements today, but I give a commitment that the great interest that Mike Russell, Euan Robson and Ian Jenkins said existed in the Borders will be taken into account when the results of the feasibility study are considered. Today is not the day to make an announcement, as we have not received the study, but I assure members that we will consider the study seriously.

A great deal of work has been done by Borders Transport Futures Ltd and the Campaign for Borders Rail. I welcome that work and thank those organisations for, in effect, putting this item on our agenda, which has led to this debate.

Our railway industry is different from the one that we had 30 years ago, but that gives us opportunities. The UK Government inherited a privatised and fragmented rail network, but the demand for rail travel is growing dramatically. That does not make it easier to examine the industry, nor does it solve our problems, but it does create a new climate. We have the opportunity to create an integrated transport system, and that will come from the UK Railways Bill and from our work in this Parliament.

The devolution settlement gives us a role in promoting the railway industry. Our funds are not inelastic, as members will know, but we already support passenger rail in Scotland with £208 million a year. I want to examine how we can make that support more effective. The points made by David Mundell are precisely the ones that I am looking at—how can we expand our rail services as well as look to new rail services and investments?

I know that members are coming to me with demands for new rail investment. I welcome that. We must examine our priorities. We know that public support for rail investment is critical. The economic and value-for-money arguments alone mean that we need to invest the money. That is a challenge because we do not have an unlimited budget.

I want our railway network to grow. We need to demonstrate value for money and we must look at the priorities in the context of an integrated transport system, reduction of congestion, improvement of access and of inclusion and social, economic and environmental gains. Those are the criteria against which we must measure the expansion of new railway services, and they will apply to all proposals in Scotland, such as the Borders railway proposal and the feasibility study.

I am sure that that study will take us further down the road of looking at the options and the finances. The study will not make the decision, but it will be important in giving us more information to think about options. The final decision will rest with me, in partnership with the various public and private bodies that members have mentioned, and it will have to be set against the other important and justifiable claims on our tight resources.

However, as Christine Grahame observed in her introduction, home rule enables us to focus on transport issues. The choices are not easy, but our feasibility study will allow us to consider the options that are available. That is a great step forward. If there is a message to take back to the people in the Borders, it is that we will give the study careful consideration.

I thank members for staying behind to take part in this debate. It is an important subject, and one

to which I hope we shall return.

The Presiding Officer: I thank the minister and members for their co-operation in keeping to time.

Meeting closed at 17:39.

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