MEETING OF THE PARLIAMENT

Wednesday 8 December 1999 (*Afternoon*)

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Scottish Parliament

Wednesday 8 December 1999

(Afternoon)

[THE PRESIDING OFFICER opened the meeting at 14:31]

Time for Reflection

The Presiding Officer (Sir David Steel): Our time for reflection today is led by Dr Mona Siddiqui, lecturer in Arabic and Islamic studies at the University of Glasgow.

Dr Mona Siddiqui (Lecturer in Arabic and Islamic Studies, University of Glasgow): As a Muslim, I stand here proud to be representing a faith and a community, but humbled at the honour of this task. In giving recognition to the faith, the Scottish Parliament is giving recognition to a whole ethos and to different cultures, a commitment to religious communities and a willingness to show that Scottish society is a multifaith society and is proud to be not just tolerant but accepting, to be not just aware but interested.

Our sacred books sometimes come with different stories, different social laws and even different routes to salvation, but one thing that they all share is a simple belief in God's love and mercy. As Muslims prepare for Ramadhan, the month of fasting, it should be borne in mind that Ramadhan is special not only for the fasting but for being the month in which the Qur'an was first revealed. This book contains within its infinite wisdom a simple but profound message: that of God's eternal compassion for mankind.

It is related in the Qur'an that, when God created man, he told the angels, "I will create a representative on earth." The angels were upset and questioned God: "Will you place therein one who will make mischief and shed blood whilst we celebrate your praises and glorify your name?" God replied, "I know what you do not know." Adam was not only given knowledge of things; he was made to be placed at the top of creation's hierarchy. It is this very knowledge that is man's unique gift, it is this very position that brings him close to God, a proximity that man needs and God cherishes:

I am as my servant thinks I am. I am with him when he makes mention of me. If he makes mention of me to himself, I make mention of him to myself. And if he makes mention of me in an assembly, I make mention of him in an assembly better than it. And if he draws near to me a hand's span, I draw near to him an arm's length, and if he draws near to me an arm's length. I draw near to him a fathom's length. And if he comes to me walking, I go to him

running.

And when man is rejected from the garden of Eden, removed from the miracle of God's paradise, he clings to the hope of once again pleasing his Maker, the hope of replacing wrong with right. Man treads wearily through life, stumbling his way through so much of the journey, searching and looking, anxious for solace, yearning for the truth. Through this relentless journey, there is one thing that is certain—God's everlasting mercy, His compassion for the humanity He so proudly created, His willingness to forgive error and sin:

O son of Adam, so long as you call upon me and ask of me, I shall forgive you for what you have done, and I shall not mind. O son of Adam, were your sins to reach the clouds of the sky and were you then to ask forgiveness of me, I should forgive you. O son of Adam, were you to come to me with sins nearly as great as the earth, and were you then to face me, ascribing no partner to me, I would bring you forgiveness nearly as great as the earth.

Local Government Finance

The Presiding Officer (Sir David Steel): Our first item of business is a statement by Mr Jack McConnell on local government finance. The minister will take questions at the end of his 10-minute statement and therefore will take no interventions.

Mr Alex Salmond (Banff and Buchan) (SNP): On a point of order, Presiding Officer. Have you had notice of a statement by the Executive on the position of Mr John Rafferty? I would like a ruling from you on whom Mr Rafferty is accountable to. Is he accountable to the Parliament, through the First Minister, or is he bound by the civil service code, which says that civil servants

"should not deceive or knowingly mislead, Ministers, Parliament, the National Assembly or the public"?

If Mr Rafferty is bound by the civil service code and the press reports are accurate, his position is now untenable and if the First Minister resists making a statement on the matter, his position will be greatly weakened.

I am asking for a ruling that will uphold the Parliament's ability to hold the Executive and its array of expensive spin doctors to account.

The Presiding Officer: The answer to the first point of order is that I have not received a request for a statement and, if I had, it would be in the business bulletin.

As to the second point, whomever civil servants are answerable to, it is not me. They are answerable to the First Minister, whom the member will have a chance to question tomorrow.

David McLetchie (Lothians) (Con): On a similar matter, Mr Presiding Officer. Given that members are responsible for the conduct of their advisers and employees, does the matter raised by Mr Salmond fall under the remit of the Standards Committee, which should be investigating this serious matter?

The Presiding Officer: Having read the proceedings of the Standards Committee, I can tell members that the committee is examining the civil service code of conduct and the way in which it relates to our activities. The committee has that matter under review.

14:37

The Minister for Finance (Mr Jack McConnell): My statement today covers local authority revenue finance for 2000-01 and decisions related to the non-domestic rates revaluation.

The Scottish Executive is committed to a

partnership with local authorities in Scotland. Together we aim to deliver high-quality, modern services. Local government is responsible for delivering key local services in ways that best recognise the diversity of local needs and circumstances. Stronger local government is a key element of the new democratic partnership in Scotland.

This is the first year of our new Parliament and our new relationship with Scottish local government. I want our financial relationship to be stable, but to respond to the issues that affect vital local services.

Our first priority is to give local authorities stability. That is why we have confirmed that we intend to uphold the figures for local government that we inherited. Local authorities have three-year figures for spending and grant; they know where they stand and can plan accordingly. Crude and universal capping has been abolished, and we will continue the system of indicative spending guidelines, at least for the next 12 months. However, those are indicative figures and we are prepared to be flexible. We will discuss the guidelines approach over the next 12 months to establish whether it is the best way forward.

In my financial statement on 6 October, and in the consultation document "Spending Plans for Scotland", which we published last month, I set out the planned totals for local authority spending and grant—the figures for Government-supported expenditure and for aggregate external finance for next year.

We have made some technical adjustments to the figures. Most notably, the resources for the social inclusion partnership fund—some £57.6 million—are not part of local government expenditure, but are being paid as a specific grant instead. That money is still available; it is simply being accounted for differently.

As a result of those and other adjustments I am now able to announce revised figures. Next year, Government-supported expenditure—the provision we will make for council spending on the delivery of services—will be £6,746 million, which is an increase of 3.7 per cent. Total aggregate external finance—the support that the Executive provides from revenue support grant and business rates will be £5,630 million, which is an increase of 2.9 per cent. This is a good and stable settlement, which increases total resources and encourages long-term planning.

Within the settlement, we give priority to the key public services: education, social work, police and fire. That focus underpins the programme for government and has been agreed with local authorities. Education, in particular, is a key service, as our children are the future of Scotland and we are committed to giving them the best possible start in life. I am particularly pleased that the grant-aided expenditure figure for education next year—which does not even include £134 million for pre-school grants—will now be £2,718 million, which is an increase of 4.3 per cent over the comparable figure for this year.

The figures for spending and grant assume that, on average throughout Scotland, council tax will increase next year by 5 per cent. Individual councils will set their own tax rates around that average. In doing so, I hope that they remember that most councils will receive a substantial increase in their grant next year and will exercise some restraint. The average increase in council tax this year came down to 2.7 per cent, which is a significant achievement by councils, welcomed by taxpayers.

I intend that, next year, we will continue the scheme for limiting the benefit subsidy that is paid to councils by central Government when council tax increases are above the guideline. The rules will be the same as for this year.

I should also like to make a statement today about non-domestic rates—the business rates. The next revaluation for the purpose of nondomestic rates will take place from 1 April 2000. Revaluation does not mean that more money will be raised from the rates over the next five years. I emphasise that I regard stability and certainty for business as being of paramount importance. The clear priority is to maintain the level playing field that exists with regard to valuation treatment and practice north and south of the border.

I want to make it absolutely clear that Scottish business, as a whole, will not pay more as a result of this revaluation. The non-domestic rates that will be raised from businesses in Scotland after the revaluation will be the same, in real terms, as before. That does not mean that every business will pay the same. Revaluation will change rateable values to reflect market conditions and the rates bills for some individual businesses will go up as well as down.

I can announce today my provisional decision to set the non-domestic rate poundage for Scotland at 45.8p in the pound in 2000-01. That compares with a figure of 48.9p this year. That figure is provisional and I intend that the final figure will be confirmed by next February at the latest. I shall publish the detailed calculations underlying the announced poundage as soon as possible.

There may be some concern about the different numbers in England and Scotland, but I reassure Scottish businesses that the level playing field remains. In addition, to reinforce the transparency of our calculations, I undertake each year to publish the figures that result in the poundage that is announced and to convene an annual forum of representative business organisations to explain and discuss that calculation.

I have been considering whether some form of relief will be appropriate to avoid significant cost shocks for businesses—in particular, small businesses. I can announce today that there will be a Scottish transitional relief scheme. That scheme will, as far as possible, follow the principles of simplicity, phasing in of increases and unwinding, by which I mean that the relief will end before the next revaluation. Those are key issues that were raised by respondents to the consultation paper that was issued in October. I am determined to help businesses to cope with the revaluation in as fair and as affordable a way as possible, and I will consult further on the specific details in January.

Furthermore, I can announce today that all businesses that have a rateable value of less than £10,000 will receive a 1p reduction in the poundage that is used to calculate their rates bills from next April. That discount will apply for one year, during which time I shall examine the case for establishing a more permanent rate relief scheme for small businesses. I look forward to continuing the useful dialogue on that issue that has been established between representative business organisations and the Local Government Committee and the Enterprise and Lifelong Learning Committee. Over the next 12 months, Henry McLeish and his team will examine the case for small business rate relief and consider the best way forward.

Finally, following consultation in September on the decapitalisation rate that is used for properties that are assessed on the contractor's principle of valuation, I can announce my decision to keep the rates at 5.5 per cent for most properties and 3.67 per cent for churches and educational, health care and Ministry of Defence properties. They are consistent with those in England and so maintain parity of approach. This decision will ensure that those ratepayers whose property is assessed using the contractor's principle will have more certainty over their rates bills, which will provide further stability.

I intend to announce the detailed proposals for distributing grant and spending guidelines to individual local authorities next week. While we will review the fairness of the distribution system in partnership over the next 12 months, a number of changes have already been implemented. These have been agreed in partnership with the local authorities themselves. I am particularly pleased that next year we will distribute £6.5 million of the grant available for Scotland's councils as a special one-year deprivation payment. This will benefit nine authorities with the highest levels of poverty and deprivation in Scotland, among them West Dunbartonshire and Dundee, with Glasgow City rightly getting the largest share of this payment, amounting to nearly £3 million. This is a one-year payment because the review of the allowance made for deprivation and poverty in grant distribution will begin soon.

In reaching my decisions on revenue spending, I recognise that there are serious concerns about the fairness of the present distribution. As the programme for government made clear, we will improve the fairness of the distribution over the next twelve months. Crucially, we are setting up a review of the allowance made for deprivation and poverty so that we can be sure that those councils with the greatest problems in urban and rural areas are getting the resources they need. This fulfils the commitment we gave in the programme for government. The review will move quickly and will report late next summer, ready for changes to be implemented in 2001-02. We are going to look separately at the treatment of councils with islands needs. Related to that, we need to bear in mind the cost of delivering services to the most sparsely populated areas. So there is a big programme of work that we want to carry forward in partnership, to look at the fairness of the system. But we cannot make these changes to a big and complex system overnight.

However, I do want to further respond to representations on local spending and I believe that there is additional money within the settlement that I am announcing today. The extra capacity arises as a result of recent reductions in the estimate of pool interest rates which determines the amounts local authorities pay in loan and leasing charges. This means that local authorities will now pay less in loan and leasing charges next year than the provision we had previously planned.

Left alone, these funds would have been distributed in proportion to the loan and leasing commitments of authorities rather than based on social needs. This money can be better used and, as a consequence, I intend to hold back £15 million when I announce the allocations for individual authorities next week. The Deputy Minister for Local Government, Frank McAveety, will discuss with the Convention of Scottish Local Authorities how best this money can be used to reinforce our policy priorities, including tackling poverty, and we will announce our intentions before February, when the final decisions on the allocations for next year require to be reached.

I will announce next week the distribution of spending and grant that we will provide in support of Scotland's 32 councils next year. Full details will be made available to the Scottish Parliament information centre. Those proposals will now form the basis for further consultation with COSLA in January, after which I will lay the local government finance order in February and the Parliament will have the opportunity to discuss it.

This settlement is important because it confirms the figures announced at the time of the comprehensive spending review and it gives Scotland's councils stability to plan confidently for next year and the year beyond. But we are also determined to take advantage of this stability, particularly over the next 12 months, to review those aspects of the system which everyone acknowledges are creating problems. As we carry out those reviews, we will fulfil undertakings given in the programme for government. We will also work with local authorities to determine a fairer system by this time next year and to make sure that those councils which have to tackle the most serious problems of poverty and social exclusion are getting the resources that they need.

Today's statement delivers stability, but it builds on our constructive dialogue and evolves our partnership locally and nationally. It is good for local communities, businesses and services. It is also good for Scotland.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): On a point of order. The Local Government Committee has spent many meetings considering in detail the substance of today's statement, in particular business rates and the need to provide a special package of relief for small business. The Local Government Committee convener sent a letter to the minister asking whether such a package could be introduced. Instead of responding to the Local Government Committee, and showing respect for the committee system, the minister has announced a paltry package today and small business will continue to be hammered throughout Scotland. Is that in order?

The Presiding Officer: That was a point of argument; it certainly was not a point of order. The minister is quite within his rights to make statements to the Parliament rather than to any one of its committees.

Mr Brian Monteith (Mid Scotland and Fife) (Con): On a point of order.

The Presiding Officer: Is it a real one?

Mr Monteith: I am sure that you will be able to judge, Presiding Officer.

The Presiding Officer: I am sure that I will.

Mr Monteith: I spy that Mr George Lyon has crossed the aisle to sit with the Liberal Democrats and not with his Labour colleagues, as we are used to seeing. To save members from any confusion, is there any particular place where we

should sit?

The Presiding Officer: That was certainly not a point of order, and I should have seen it coming. We are wasting valuable time when many members want to speak. May we have short questions and exchanges, please?

Mr Kenneth Gibson (Glasgow) (SNP): I thank the minister for his statement. I would have liked to respond to it in detail, but the entire question-andanswer session has been allocated half an hour, which I consider to be an absolute disgrace. It shows the Executive's contempt for local government.

I notice that the minister made no commitment to restore funding to the level that new Labour inherited in 1996-97. I notice also that the minister was especially pleased with the £6.5 million deprivation payment that was made last week, half of which went to Glasgow. Excuse me for not dancing in the streets, minister, but that works out at 9p a week for every Glaswegian, which is hardly a cure for poverty in that city.

May I ask the minister a straightforward question? On St Andrew's day, he wrote to Norman Murray, the president of COSLA, who is—of course—a Labour councillor. I quote:

"The approach of scaling down the expenditure increase to promote convergence with GAE will continue."

Given that the difference between the GAE figure and what local authorities spend is currently £375 million, will the minister tell us the time over which that scaling down will take place, and what the impact on jobs, services and council tax will be? Does he accept that the new burdens and the promotion of convergence mean, in effect, a double whammy of a £700 million increase in council tax—or its equivalent in cuts in services and jobs—over an indeterminate period? That is hardly a recipe for stability.

Mr McConnell: It is depressing that Mr Gibson's main comment on the local government settlement—which covers a comprehensive range of items—concentrates on the Parliamentary Bureau's decisions about the time allocation for statements. I would have thought that there were much more important issues to be discussed today.

The nationalist party never recognises that the settlement for local government—for this year and next year—contains hundreds of millions of pounds more than would have been the case had the Conservative party still been in government. It would be nice if that fact were recognised—just once or twice—by the nationalist party or, indeed, by the Conservative party.

This is a good settlement for local government. It allows for convergence over a very long period. It

allows for flexibility among local authorities. It gives them resources increased above the rate of inflation. We are proud of the settlement. It is good for local communities and services.

The Presiding Officer: I call Keith Harding.

Mr Gibson: Presiding Officer, we must be allowed to come back on that.

The Presiding Officer: Order.

Mr Gibson: We must be-[Interruption.]

The Presiding Officer: Order. Mr Gibson, you must ask for permission to speak. Mr Harding.

Mr Keith Harding (Mid Scotland and Fife) (Con): Thank you. I thank the minister for the early delivery of his speech. I had half an hour to read it, which is quite good. In Stirling, when we were in opposition, we got only two minutes.

I want to respond to the minister's response to Mr Gibson. In 1994-95, the Conservatives spent £19.8 billion in real terms, while in the Labour party's first three years in office, it has spent only £17.4 billion each year; please stop blaming us for all the Labour party's problems.

I agree with Mr Gibson that there will be no dancing or celebrations in the council chambers tonight. It appears that, once again, the minister expects councils to fund pay awards from efficiency savings. If they are not, there can be no growth. It will be interesting to hear what he has to say about that.

How much will councils spend on new burdens, and have they been fully resourced? Does the minister agree that services, other than those that he deems key services, will face cuts yet again? For example, will there be fewer road and pavement repairs, reduced grounds maintenance and further reductions in leisure and community facilities, to name but a few?

I am also interested to learn how the minister will respond to the motion approved by the leaders of COSLA and those that will probably come from other councils during next week.

The modest council tax increase of 5 per cent amounts to an average increase of 36 per cent over the past three years. People who live in some cities will have to pay an extra £200 or £300 a year, which is hardly modest.

Mr McConnell: It is instructive to see the Scottish Conservative party clutching at the very few years in which it was generous to local government in Scotland.

Nick Johnston (Mid Scotland and Fife) (Con): We were generous?

Mr Harding rose—

Mr McConnell: I apologise, but Mr Harding asked a question and I am delighted to provide the answer.

I remind Mr Harding that, in this financial year, the Conservative party would have been prepared to spend £250 million less than this settlement allows for. By the end of the comprehensive spending review period and of the period covered by the spending plans that I announced on 6 October, the difference between what the Conservative party planned to spend and what we will spend on education, social services, the police and other vital local services across Scotland would have been a grand total of £550 million. It is simply not true to suggest that this is a poor settlement for local government.

The settlement includes money for new burdens. We have not specified those burdens, but we included extra money for them. The settlement includes a rise well above the rate of inflation, both in total local government expenditure and in Government grant. It includes provision for the key local services of education, social services and police and fire services, which are the agreed priorities of local and central Government in Scotland. After many years of neglect, we are proud to deliver on those services.

Donald Gorrie (Central Scotland) (LD): I welcome many parts of Mr McConnell's announcement—I will leave it at that. [*Laughter.*] We are allowed only to ask questions, not to give eulogies.

Mr McConnell aims, correctly, at stability, but does he agree that he does so on a downward path, that almost all councils will have to make cuts and that many non-priority services will get worse? Will he seek more money from the Chancellor of the Exchequer? Will he try to find more money from his budget for local government?

Will Mr McConnell consider relaxing the rules on guidelines, which have seriously harmed several councils most unjustly? It would be much better if he was more relaxed about those guidelines.

Will Mr McConnell take account of the document produced by the Society of Local Authority Chief Executives and Senior Managers, in which the society complains about the unco-ordinated flow of initiatives and consultation exercises emerging from the Scottish Executive? Will he set up a bumf-busting committee to stop that ridiculous waste of councils' time and energy?

Will Mr McConnell fund, at least to some degree, pay increases? That is a serious issue, as other members have said.

Finally, if Mr McConnell has available the valuable amount of £15 million, will he consider

discussing with his colleagues the possibility of channelling it through councils to the voluntary sector, to help that sector to provide social inclusion services? The voluntary sector, which is funded by councils, has suffered severely and Mr McConnell has an excellent opportunity to help.

Mr McConnell: Donald Gorrie made a number of wide-ranging points.

I want to make it clear that I am keen to discuss with COSLA and other interested parties the future of the system of guidelines and the other controls on local government spending. Such controls are important, as local government expenditure in Scotland is part of the budget assigned to the Parliament and therefore is part of our total public expenditure in Scotland. While we have a responsibility to take that seriously, we also have a responsibility to discuss the future of that system with local government and we intend to do so, starting in January.

Those discussions will also include the coordination of initiatives and the mix of general, hypothecated and ring-fenced expenditure that exists between local and central Government. A number of Mr Gorrie's points will be included within those discussions.

As for pay awards, the system across the whole of local government is that, apart from specific circumstances, such awards are funded from efficiency savings. If we accept such a discipline centrally, we are right to continue to insist on the same at local authority level. Although that means hard decisions at times, it also means that we are all in the same boat, which is only right and proper.

Although it would be good to have more discussions on the number of initiatives and how they are funded locally and centrally, I am not convinced that setting up another committee would be the best way of doing that. I look forward to more relaxed and informal discussions that might lead to a good conclusion.

Mr John McAllion (Dundee East) (Lab): I welcome the review of the distribution formula, which is long overdue; furthermore, I am delighted that a Labour minister in a Scottish Parliament will be implementing it. Dundee expects, if I may say so.

Will the minister confirm that the £6.5 million deprivation payment to nine councils this year can be used by those councils only to reduce their council tax levels? Furthermore, will the additional £15 million that he has identified be given to local authorities in a form that allows them to invest the money in council services? The poor, in particular, depend heavily on such services.

Mr McConnell: The use of the special

deprivation payment will depend on the circumstances of individual councils and how they choose to spend that money. The use of the additional £15 million that has been identified through savings in loans charges will be decided over the next six weeks in discussions between Mr Frank McAveety and COSLA. Although it is right and proper that we do not pre-empt those discussions, I strongly expect them to lead to money being spent on areas of local expenditure that need it most.

Andrew Wilson (Central Scotland) (SNP): Will the Minister for Finance provide some points of fact, rather than interpretation, on the issue of finance? Is it a fact that, in the first three years of the Scottish Parliament, the minister will support local authorities by £2.4 billion less than the amount provided in the last three years of the Conservative Government? Is it also a fact that, on average, council taxes are 7.4 per cent higher in Scotland at band D than in England, which represents a real north-south divide?

Furthermore, will the minister confirm that he has just announced that council taxes are set to rise by twice the rate of inflation, despite the already large differential north and south of the border? As a follow-up to Mr McAllion's point, will the minister also confirm that of the 405 councils in Britain, two of the top three most expensive council tax rates—in Dundee and Glasgow—are in Scotland, which is a direct result of his lack of support?

Mr McConnell: I am surprised that Mr Wilson has changed his tune in the past six months and is now, apparently, opposed to increased taxation. However, I welcome that conversion and I hope that it will continue to be reflected in his party's policy.

Andrew Wilson: This is serious.

Mr McConnell: It is very, very serious that, week after week in this chamber, if it is not Mr MacAskill demanding about £250 million more for the roads programme, Mr Gibson demanding the same for local government, Ms Sturgeon demanding the same for education, or Ms Ullrich demanding the same for health, it is some other SNP member demanding the same for some other programme.

We cannot simply magic up £200 million or more for every single programme week after week. It is not good enough to complain in different contexts and in different departments that the money provided is not enough. The truth is that the amount of money allocated in today's statement for local government in this financial year is £250 million more than would have been spent by the Conservatives and will be £550 million more by the end of the comprehensive spending review. Not only have we sorted out the mess in which the Conservatives left the economy, but we are spending more money.

Des McNulty (Clydebank and Milngavie) (Lab): Bearing in mind the attempts by vested interests to block the implementation of the Arbuthnott recommendations, which would bring health allocations more in line with health needs, will the minister ensure that the discussions about local government allocations that he mentioned will be concluded in time for early implementation of those recommendations? That would assist poorer areas such as West Dunbartonshire, Glasgow and Dundee.

Mr McConnell: We are determined to move ahead with those reviews as speedily as possible and to ensure that the areas that most need extra money receive it.

Colin Campbell (West of Scotland) (SNP): COSLA estimates that the last rounds of teachers' pay negotiations cost local authorities £600 million. Does the minister agree that central Government did not properly fund those increases and that local councils had to make cuts in other services to meet those payments? This could be a yes/no answer if Jack is really lucky.

Mr McConnell: We believe in local democracy; the councils are responsible for negotiating those settlements. We are prepared, as was the case with this year's teachers' settlement, to allocate additional money to help finance such settlements when it is right and appropriate and meets our, and the councils', priorities. We did that this year for education and we will do it again whenever it is necessary.

Bristow Muldoon (Livingston) (Lab): I welcome the review of grant distribution that the minister referred to in his statement. The review—rightly—recognises deprivation. Will the review also address the distribution of grants to authorities that are experiencing substantial population growth?

Mr McConnell: Population growth is a major issue. It is an issue in Mr Muldoon's constituency and, for example, in Aberdeenshire, where I met the council last week to discuss its circumstances. A number of councils across Scotland want that issue to be taken on board—perhaps in different ways—in the distribution formula.

I intend that the discussions over the coming year will take account of councils' concerns about guidelines and the distribution formula. However, it is important that we try to retain the support of all councils for the distribution formula system and do not try to skew it against councils that feel that they too have needs.

Bill Aitken (Glasgow) (Con): I ask the minister

to depart from the Mystic Meg school of economics and to recognise the facts. In the last three years of the Conservative Government, local government spending as a percentage of gross domestic product was 11.72 per cent, 11.02 per cent and 9.77 per cent respectively, whereas at the end of the period that is under review today, the Labour party's commitment will be 7.11 per cent.

Bearing in mind the fact that stability is the watchword today, will the minister instruct Mr Frank McAveety to ensure that there is stability for council tax payers, so that we do not have three years of substantial increases, followed by a year of minimal increase—coinciding with elections—or would that be a classic case of the poacher becoming a gamekeeper?

Mr McConnell: I think I made clear my views on council tax increases for next year, and I hope that they were heard in the chamber and elsewhere.

I thank Mr Aitken for what, I presume, are his congratulations on the success of the economy, which has led to such an increase in GDP that the percentage is reduced.

Tommy Sheridan (Glasgow) (SSP): Presiding Officer, I hope that you will comment on statements that are given to the chamber. A number of members have mentioned how little time they have had to prepare serious questions on points made by the minister. I have had no notice at all. An hour and a half is completely inadequate, and I hope that you will raise the matter.

Does the minister agree that the £3 million extra for Glasgow is far too little, far too late? Does he agree that it would have been much better for Glasgow if he had insisted on the repeal of the capital receipt payback regulation, which this year would have given Glasgow not an additional £3 million, but an extra £18 million to spend on its housing account?

Does the minister also agree that what is most important is how the money is spent on the ground? When Labour was elected in 1997, 3,000 home helps were employed by Glasgow City Council. Today, 2,500 home helps are employed by the council. Will his statement lead to the employment of more home helps in cities such as Glasgow, where people rely on those services?

The minister gave a figure for anticipated council tax rises. What are the anticipated increases in local authority wages? Does the minister agree that it is far too rich to make any comparison between us and local authority workers, given that our salaries are six and seven times what local authority workers get?

Mr McConnell: The statement did not refer to

MSPs—it referred to a comparison between local and central Government pay policies.

The overall policies and the framework in which we operate are important. It is not good enough to consider individual figures and ideas in isolation. It is important that we manage our national finances and that we support local government, but we must do so within a national framework. It would not be appropriate for the Executive to determine the number of home helps who are employed by Glasgow City Council—that is a job for the council and it must make that decision in the light of its available resources. I hope that it can make such decisions.

Of course, no amount of money is ever enough, but it is wrong to describe £3 million as insignificant or irrelevant for Glasgow; it is a helpful contribution. Other authorities that could have made a claim on that resource agreed to the decision and I thank them for that. It will be good for local government services in future if we can make more decisions in that way, based on need.

Mr Keith Raffan (Mid Scotland and Fife) (LD): Does the minister agree with the Labour and Liberal Democrat joint motion that was passed by Fife Council and subsequently endorsed by COSLA? If Fife and all other local authorities must deliver—in Mr McConnell's own words—"highquality modern services" we cannot expect indefinitely that they will fund pay awards without assistance from central Government. Will the minister have a quiet—but, I hope, effective—word with the Chancellor of the Exchequer on that point?

Mr McConnell: Mr Raffan would be surprised if I agreed with the motion that he mentions— obviously I do not.

It is important to mention finance in relation to improvements to local services. Improving local services is not about just spending more money, or about the existing budgets. Those are important, but they are only part of the picture. If we want to deliver high-quality modern services, local and central Government must also work together to find efficiencies. We must look for better, newer ways of doing things. Those ways might be cheaper, but they will not necessarily always be worse-that is important. Finding those new ways is a task that the Executive has set itself, and on which it will work next year. It is a task that will always—I hope-override examination in isolation of individual figures.

Dr Sylvia Jackson (Stirling) (Lab): I was pleased to hear what Mr McConnell said about relief for small businesses and I welcome his remarks about a comprehensive review of nondomestic rates. Will he tell us more about the details of the relief scheme? The small business relief scheme is almost identical to the existing scheme, but is a slight improvement on it. In line with its other decisions, the Executive has chosen to go for stability for the next 12 months. That is partly because every business in Scotland has a different proposal for a small business relief scheme or for Government assistance to small businesses. No two proposals are the same. It would, therefore, be wrong for the Parliament to choose one of those proposals and to run with it for next year.

It is entirely appropriate that the two committees I mentioned—and gave a proper place to in my speech—examine the matter over the next 12 months. My colleague Mr McLeish and his team will also examine the matter. We will get proper recommendations on the best method of helping small businesses. That might be rates relief, but it might be something else. In the next 12 months, we must examine in an open and transparent way how we can afford that, rather than rushing into a decision this afternoon.

I hope that that decision is welcomed by small businesses—it certainly should be.

The Presiding Officer: I have allowed this statement and questions to overrun. Six members remain to be called, but we must protect the main debate of the day.

Sea Fisheries

The Presiding Officer (Sir David Steel): The next item of business is motion S1M-358, in the name of John Home Robertson, on sea fisheries, and the amendments to that motion.

15:15

The Deputy Minister for Rural Affairs (Mr John Home Robertson): This, at last, is my first opportunity to make a full speech in the Parliament, so let me say how grateful I am to the people of East Lothian for sending me here.

The Presiding Officer: I hope that this is not a maiden speech.

Mr Home Robertson: Like you, Presiding Officer, I have spent a long time campaigning for a Scottish Parliament. I happen to have the odd distinction of being a direct descendant of a member of the previous Scottish Parliament, Patrick Home of Renton. He voted against the incorporating union of 1707, so he has been vindicated at last.

I welcome this opportunity to debate sea fisheries in advance of next week's meeting of the Fisheries Council. I hope that we will have regular opportunities to discuss this important Scottish industry in the Parliament. The main business of the December council is to set total allowable catches and quotas for next year. I will come to that important matter later, but I should like to take this opportunity to reflect on my first five months as fisheries minister and to touch on a number of sea fisheries issues.

The Executive fully understands the importance of fisheries to the Scottish economy, particularly in the north-east and in the Highlands and Islands. Scotland has the lion's share of the UK fishing industry and so it is only natural that devolution has pushed fisheries to the forefront of the political agenda. I welcome that change.

It is worth reflecting on the economic and political significance of the Scottish sea fishing industry. Landings into Scotland by all vessels in 1998 were valued at more than £320 million. Scottish boats also landed more than £100 million-worth of fish abroad. More than 7,000 people are employed in the catching sector, with similar numbers involved in processing and other downstream activities. Many of those jobs bring substantial benefits to remote rural economies.

The Scottish Executive and, I am sure, the Parliament recognise the importance of fishing. It is no coincidence that the first substantive debate in the Parliament was about fisheries, albeit about the vexed and rather contrived issue of the adjacent waters boundary. [MEMBERS: "Shame."]

I was pleased when I went to the October Fisheries Council to be the first Scottish Executive minister to attend and speak at a European Council of Ministers meeting. As a member of the UK team, I was involved in casting 10 votes in the council. In that circumstance, I can apply real influence on behalf of Scottish fishing communities and I intend to continue to do that.

Having heard the reaction to my comment a few seconds ago, I hope that we will not waste valuable time today on the boundary question. I know-because I come from that part of the country-that Scottish boats have recently had a profitable time fishing for prawns off the Northumberland coast. I reached an agreed position with my counterpart in the Ministry of Agriculture, Fisheries and Food last week to provide greater flexibility for Scottish pelagic boats to fish for sea bass off Cornwall-a long way south of any line that there might be in the North sea. What really matters to the Scottish fishing industry is the right to work in fishing grounds right round the coast of the UK and elsewhere. That is far more relevant to our fishermen than a theoretical debate about the maritime boundary of the jurisdiction of Duns sheriff court.

It is a great privilege to be the fisheries minister in this first Scottish Executive. My approach to the job has been to work with the fishing industry, so I am grateful to those in the industry, particularly the Scottish Fishermen's Federation, for their advice and co-operation. I am determined to be as open and inclusive as possible. I am especially pleased to have been able to set up the Scottish inshore fisheries advisory group to give the fishing industry direct input to policy formulation and to help us to deliver policy that is workable and practical. Early indications are that SIFAG is working well. We have brought together a wide range of interests, including fishermen, scientists and people from environmental and economic development agencies, all of whom are pulling in the same direction.

The Executive has demonstrated commitment to local management. I know that that is a priority for all parties, as well as for the fishing industry. I have given approval to the Shetland regulating order and hope to see it implemented shortly. An application from Orkney for a regulating order has been received and is now being discussed and refined. Similar proposals are being worked up for Solway, the western isles, Highlands and Fife. It is evident that there is growing interest in that way My aim is to encourage forward. local management leading to lighter control and regulation from the centre. I hope that there will be consensus on that.

We have begun to fulfil the partnership

commitment to local management of fisheries after just five months in office. I know that there are a number of difficult issues to be resolved in the fisheries field and I will come to some of those later. However, the general picture is a positive one. The revenues of Scottish vessels last year were at their highest since 1987. Since 1992, total revenues have increased by around 28 per cent in real terms. White fish prices remain high and the pelagic sector continues to develop new markets.

We should bear in mind the fact that the financial benefits of fishing do not come without a heavy price. We must never forget the hazards that fishermen experience and the tragic loss of life and serious injuries that can occur in this industry. This year has been no exception—six Scottish fishermen have lost their lives working in this dangerous industry. We owe it to fishermen's families and to fishing communities to do everything possible to reduce the risk of such tragedies.

I have written today to invite the Scottish Fishermen's Federation to meet me to discuss a new approach to safety. I intend to establish a new Scottish sea fishing safety scheme, based on the fisheries structural funds available to me now that the new financial instrument for fisheries guidance regulation is in place. I will discuss the detail of the scheme with the industry and with the Maritime and Coastguard Agency. We will not be bound by precedent and we will wish to deliver a scheme tailored to Scottish needs.

I want the scheme to focus on the delivery of a safety culture in the fishing industry. It is all very well to have a list of safety items that can be funded, but the need is to raise awareness of safety and to improve training to prevent accidents and to save lives. One important area where the safety record is of particular concern—the under 12 m boats—was excluded from the previous scheme operated by MAFF. I am determined that our new Scottish safety scheme will cover the whole fleet, including smaller boats.

In consultation with the industry, we will consider the priorities and, subject to the availability of resources, I hope to be able to begin to implement the new Scottish sea fishing safety scheme before the end of the coming financial year.

On a wider front, there is still much to be done to maximise the potential of the fishing industry. We have already achieved a great deal in the few months since the Parliament took responsibility for Scotland's fisheries. I cite five examples.

First, I have mentioned the inshore fisheries advisory group and the Shetland regulating order. Secondly, we have undertaken a substantial review of pelagic management arrangements and we have proposed relaxations in the regulatory burden to increase the flexibility and competitiveness of our pelagic fleet. We have agreed to return to that subject next year. I am determined to find the right balance between deregulation and necessary controls.

Thirdly, we have secured a good deal for the Scottish industry, especially on herring, in negotiating the new European Union marketing regulation. I was able to secure that deal because I spoke as a member of the UK delegation with 10 votes at the council. Fourthly, while the new FIFG regulation is not perfect, it will help to support key sectors without adding to fishing capacity—that is important. Crucially, we have insisted on measures to stop other European fleets increasing their catching capacity. That is a matter of great concern throughout the industry.

Finally, I have been able to secure additional North sea prawn quota for the current year. That has now been agreed by the European Union and will enable us to keep the under 10 m fishery open and to enhance the opportunities for others in the crucial pre-Christmas period. As constituency member for Port Seton and Dunbar, I am particularly pleased to have been able to secure that package.

Phil Gallie (South of Scotland) (Con): The minister mentioned the North sea fishing situation; could he also mention the Clyde fishing area, where prawns are very important?

Mr Home Robertson: The same will apply there. I recognise that there is particular pressure on the Clyde as a result of the scallop fishery closure further north. I will return to that.

For the future, we have a challenging agenda. There are some very difficult issues to deal with, such as amnesic shellfish poisoning—I have just referred to scallops—engine power regulation and the impact on the processing industry of the urban waste water treatment directive. There are no easy answers to those questions but I have sought to approach them all by involving the industry in the consideration of options.

On ASP, for example, I have asked officials to convene a meeting involving all the stakeholders to identify the most effective way forward. I had a meeting on Monday with representatives of scallop fishing interests—that is in line with one of the recommendations contained in the helpful report published recently by the Rural Affairs Committee. The aim is to support the industry in developing a long-term strategy to deal with the problems, should they arise again in future.

Mr Duncan Hamilton (Highlands and Islands) (SNP): Is the minister aware that the representatives left that meeting absolutely downcast and despondent at the Executive's lack of strategic vision? Is not it symptomatic of the Executive's failure that the minister must call in everybody else, because he is not capable of doing his job in putting forward the vision for the industry?

Mr Home Robertson: I am not sure that I was at the same meeting as Mr Hamilton. I felt that the meeting was constructive. Everyone concerned will recognise that we are considering the options that are available to us. In SIFAG, we have raised the issue of the need to find flexibility for boats that do not have access to prawn fishing. We have undertaken to consider ways of helping with diversification under the FIFG regulation in the future. We are engaged in the issues.

At a more strategic level, we need to turn our mind to two key tasks: the future development of the Scottish fishing industry and the review of the common fisheries policy in 2002.

We need to develop a shared vision of how we want the industry to develop. There are a number of key factors within that, of which I will list three. First, we need to strike a balance between the need to sustain the remotest coastal communities and the interests of economic efficiency. Secondly, we need to involve local communities in the management of fisheries, which is an issue that strikes a chord all round the Parliament. Thirdly, we need to build a culture of quality in Scottish seafood to increase the market value of our fish for the benefit of those who work in this important industry. I want to make progress on that agenda over the next few months. I would welcome constructive input from both the Rural Affairs Committee and the industry and I am confident that I will get it.

Dr Winnie Ewing (Highlands and Islands) (**SNP):** Why did the minister not mention the need to protect the principle of relative stability? I would have thought that that was vital.

Mr Home Robertson: That certainly is vital. It can be taken as read that we support the principle of relative stability and the six and 12-mile limits. I am grateful to Dr Ewing for raising that point, as there should be no doubt in any quarter about our position on that.

On the future of the CFP from 2002, I have a number of objectives in mind, such as the regionalisation of the CFP and quota stability, which is the point that Dr Ewing has just raised. Obviously, those objectives will need detailed consideration and I want the Parliament and the industry to be actively engaged in that process.

That brings me back to the issue of total allowable catches, the quotas proposed for 2000 and the motion that we are debating today. The Executive will not shirk its responsibility to take tough action to protect fish stocks, not least because the future of our fishing fleet depends on the preservation of those stocks. The scientists' assessment of the state of many stocks is very gloomy. However, it is not all bad news. Pelagic stocks remain steady, the north Atlantic mackerel TAC can increase and herring continues to recover from its near collapse in the mid-1990s.

Last week, there was further good news for the pelagic fleet in the negotiations between the EU and Norway. Norwegian demands for an increased share of mackerel stock were again seen off and we secured a 60 per cent increase in the amount of western quota that can be fished in the North sea, as well as an extension to the period of such fishing.

Richard Lochhead (North-East Scotland) (SNP): Will the minister give way?

Mr Home Robertson: I have taken a number of interventions. I am making rather a long speech. I have a notion that Mr Lochhead will get his chance to speak, but I will take one intervention from him.

Richard Lochhead: I thank the minister. Given the health of pelagic stocks and the quota, will the minister recommend that we dispense with demands for capacity reductions for the pelagic sector in Scotland? If the sector has to reduce capacity, vessels will have to exit the Scottish industry. The Dutch will be laughing. They will buy up Scottish vessels and fish our stocks.

Mr Home Robertson: I do not accept that scenario. It is essential to bring our pelagic fleet into line with our multi-annual guidance programme targets. If we do not do that, we cannot expect anyone else to do it. I recognise that this is difficult, and Mr Lochhead will appreciate that we have been having some fairly vigorous discussions with the industry on the matter. As I said, we are determined to do our best to get the best possible deal for the industry. I am sure that what I said earlier about the better outlook for and better management of the pelagic fishery will be welcomed by Scottish pelagic fishermen, although I acknowledge that some pain is being inflicted as a result of the engine power regulations and so on.

The picture for the key demersal stocks in the North sea—cod, whiting and haddock—is pretty bad. Those stocks, which are jointly managed by the EU and Norway, were also the subject of negotiations last week. On cod and whiting, my impression is that fishermen recognise the validity of the scientific advice. The fish are simply not there to be caught. This year, we have been able to take only 55 per cent of the UK's cod quota, because the fishermen could not find them.

On haddock, the picture is rather different. This year there is the prospect of a good recruitment to the fishery from a particularly strong year class. That is why we pressed hard this year for an

increase in the haddock quota, which is jointly agreed between the EU and Norway.

We must act to protect the small fish from that good year class. Quota reductions in isolation will not suffice. We need technical measures to reduce wasteful discards and to help the small fish to escape from the nets. Measures such as compulsory square-mesh panels and narrower twine would help escapes. I intend to argue for their introduction in Scotland, the UK and throughout the European Union.

I am very encouraged by the positive attitude of Scottish fishermen to those ideas. We have been successful in securing a higher TAC for North sea haddock by giving the assurance that we will introduce such technical conservation measures. That must be helpful.

The initial proposal for the haddock TAC was 65,000 tonnes, covering both the EU and Norway. We have been able to make a case for an increase to 73,000 tonnes and to secure a 7,700-tonne quota transfer from Norway. That is a major success, and I pay tribute to those of my officials who were involved in the negotiations. As a result, the extra UK share for North sea haddock over the initial advice will be some 11,000 tonnes, most of which—probably up to 10,000 tonnes—will go to Scottish boats. That extra catch is worth more than £13 million at current prices to the UK fishing industry.

We need to take a responsible approach if the key fish stocks are to recover. Our approach on haddock has shown that such a strategy can bear fruit. That is good news. It is important to rely on scientific advice when taking decisions on TACs. We need an objective, informed picture of the long-term health of fish stocks. That is the rationale that I will take to the remainder of the TAC process, including the negotiations on the important west of Scotland stocks. The final decisions on those will be taken at the December Fisheries Council, to be held in Brussels next week. I will represent Scotland's interests there.

We must beware of short-term gain in quota that would be incompatible with longer-term conservation of stocks for our fishermen. Our fishermen understand that point, although I am aware of the frustration that is caused by fluctuations in quota. Together with the industry, we will look at options for ironing out such fluctuations, with a view to taking those options to the European Commission. That will be timely, with the 2002 review of the CFP on the horizon.

My key objective at the December Fisheries Council in Brussels will be to do all that I can to maximise the opportunities available to Scottish fishermen, consistent with maintaining sustainable stocks. Our experience in the Norway negotiations shows that that approach can work.

I urge the chamber to reject the nationalists' amendment, which is designed to weaken our negotiating strength in Europe by wrecking our partnership with MAFF, and the bizarre Tory amendment, which seeks to relocate the English fishery department to Banff and Buchan. I invite the Parliament to endorse our negotiating position and to support the Executive's motion.

I move,

That the Parliament calls upon the Scottish Executive to seek the best possible outcome for Scottish fishermen, consistent with sustainable fishing, from the forthcoming negotiations leading up to the December Fisheries Council.

15:34

Richard Lochhead (North-East Scotland) (**SNP):** I welcome this debate, which is our first real opportunity to address the many concerns of the Scottish fishing industry. Unlike electronics and other modern industries, fishing is a traditional industry that has been around as long as Scotland itself. It is woven into the fabric of many of Scotland's coastal communities and supports important jobs in rural areas.

Fishing communities have high expectations of this Parliament, having been let down time and time again by successive London Administrations. Too often, their interests were used as a bargaining chip in the European Union so that Westminster Governments could achieve their wider European aims. That must end with devolution and the establishment of this Parliament.

The minister must prove that things have changed. His success in achieving his objectives for the Scottish fishing industry will depend on two factors. First, beneficial change must be sought by member states in the negotiations—in this case, the member state is the UK. Secondly, pursuing that change must be a top priority for the Government, which has not been the case in the past.

If we are to believe the minister, there is absolutely no need to worry, because he and the UK fisheries minister are at one on every issue under the sun and there is never any disagreement. However, we must ask what went wrong in November at the Fisheries Council. The UK minister voted against the package that was agreed, but Scotland's fisheries minister, John Home Robertson, issued a press release on his return to Scotland that said:

"There are a range of measures in the final outcome which will have a resonance with the Scottish fishing industry."

The UK minister voted against a package that our

minister thought was good for Scotland. Who could blame Hamish Morrison, the eloquent chief executive of the Scottish Fishermen's Federation, who is in the gallery today, for saying that the more things change, the more they stay the same?

When the Deputy Minister for Rural Affairs took office, the first thing that he did was to defend Westminster's theft of Scotland's waters. He has a bad habit of accepting the negative things that come out of MAFF in London and rejecting some of the more positive things. I have mentioned the proposals to cut capacity in the pelagic sector, which is one of the negative proposals that the embrace, minister appears to despite its ramifications for the Scottish fishing industry. As a result of that cut, those in the Dutch fishing industry will be rubbing their hands in glee, as they will have the chance to buy up Scottish vessels that are forced to leave the industry because of those unreasonable capacity reductions. While there is healthy stock and healthy guota. I urge the minister to dispense with those demands, which will damage the Scottish industry.

When a positive scheme from MAFF—the safety improvement vessel grants—was stopped last May, we did not hear a whimper of protest from the Scottish fisheries minister. We still do not know whether that is a London scandal or a Scottish scandal.

Lewis Macdonald (Aberdeen Central) (Lab): After the withdrawal of that grant, does Mr Lochhead welcome the minister's announcement today of plans to develop a Scottish sea fishing industry scheme? Is not the development of such a scheme a perfect example of how devolution can benefit the Scottish fishing industry?

Richard Lochhead: I very much welcome the minister's announcement of a new scheme, but why on earth did we have to wait six months for it? Surely the safety of our fishing fleet is a matter of the utmost importance.

Does the safety of Scottish fishermen depend on the ability of MAFF to sell a fruit and vegetable site in Covent Garden? Or is it the case, as Alex Salmond made Elliot Morley admit in the London Parliament this week, that the Scottish Executive had the cash for a new scheme all along but did not access it to implement a new initiative? That is appalling. We do not know whether that is a London scandal or a Scottish scandal, but perhaps the minister can enlighten us.

Mr Home Robertson: I hesitate to accuse Mr Lochhead of carping in a debate on fisheries. He asked why we did not do anything six months ago, but we were not here six months ago. We have moved as quickly as we could to produce a Scottish solution to a Scottish problem through a Scottish Parliament. Surely that is what this Parliament is here for. Would it be too much to ask Mr Lochhead to welcome that?

Richard Lochhead: I understand that the minister was appointed to his position in May. Despite the fact that this Parliament did not have legislative powers until 1 July, he was in office in May and June—six months ago. He should learn his calendar better.

It seems to be a case of business as usual, here in Scotland and in Brussels. Yet Scotland has 70 per cent of the UK's fishing entitlement and there is £250 million of turnover in the Scottish fishing industry at the quayside. We are the second largest catcher of fish in the whole of the European Union.

In the vital talks in Brussels in a couple of weeks' time, Scotland's fishing industry surely has more of a stake than the industry from any other part of the UK. Therefore, the Scottish minister should have lead ministerial responsibility for the whole of the UK in Europe. What matters is voting for the UK, not just talking. The minister tells us that he leads for Scotland because he speaks at those meetings. He should have the votes, because two thirds of the industry's base is in Scotland. We have more of an interest in the outcome of those talks than anyone else does. The case for lead ministerial responsibility being transferred to Scotland is unassailable. I ask the minister to put that case to the UK minister.

On fisheries management, the annual merry-goround of the quota negotiations has highlighted many problems. Our fishing representatives are forced to wait outside meeting rooms while others embark on damage limitation. That is not the way in which to work. The fishermen should be involved in setting the guotas and working with the scientists from day 1. There should be more flexibility in the quota system. There should be onaoina assessment. not on-going crisis Multi-annual, management. multi-species arrangements must be considered.

There is too much discarding of fish under current arrangements. If the quotas are slashed, the fishermen must land only the best fish, which means that other fish are discarded. Bad catches lead to even more fish being discarded.

I welcome the minister's comments about technical measures. That is the way forward, but we should not forget that policy must conserve our fish stocks. That is not happening under the current arrangements, which could be greatly improved.

I welcome the industry's call for a standing committee, with scientists and fishermen working together. I urge the minister to support that. Franz Fischler has said that next year will be the brainstorming year on the future and reform of the common fisheries policy. Has our fisheries minister started brainstorming about what is going to happen to the CFP? He has made some welcome comments today, but that is the first that we have heard; the real brainstorming will happen in three weeks' time. We must come back and debate that, because the future of our industry is dependent on those negotiations.

The SNP wants to see zonal management. Dr Allan Macartney, the SNP's late deputy leader, successfully advanced that concept in the European Parliament. The coastal states—to which fishing entitlement belongs—should bring together their scientists and fishermen so that they can build the best possible management plans.

We must protect the historical rights to fishing by protecting the Hague preferences, which the minister should not be shy in forcing at the Fisheries Council in Brussels. What will our minister say if the UK minister tells him, "No, you are not using Hague preferences"?

People who want to enter the fishing industry face many obstacles. Often, a quarter of the investment in a fishing enterprise is on the vessel. The rest of the investment has to go on the cost of licences and track record. That prevents new people from coming into the industry. I urge the minister to call a summit of the industry in Scotland so that we can discuss how to encourage new people to join the industry. I read in the Fishing News last week that 24 young men had embarked on a course in Banff and Buchan College of Further Education. What hope can we give them? We must tell them that fishing entitlement will be available for them and we must address the issue of costs. I welcome important initiatives by Highlands and Islands Enterprise and in Shetland to protect quota for local fishermen.

The choice facing the minister is clear. He can continue to be the over-zealous policeman in Scotland of the UK minister in Europe, or he can tackle the fact that our fishermen do not have a level playing field and give them a helping hand by fighting his utmost for Scotland in Europe. The only way in which he can do that is by demanding that our minister in Scotland, with responsibility for two thirds of the industry, has lead responsibility for EU negotiations.

I move amendment S1M-358.1, to insert at end:

"negotiate the transfer of lead responsibility for European Union fisheries negotiations from Her Majesty's Government to the Scottish Executive, in recognition of Scotland's dominant position within the UK industry; pursue a control regime for the Scottish industry that does not place it at a competitive disadvantage in comparison to other EU fleets, and influence the forthcoming reform of the Common Fisheries Policy by bringing forward proposals to

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introduce the concept of zonal management thereby involving the industry itself in the decision-making process, whilst maintaining the founding principles of the original agreement, namely relative stability, the Hague preferences and historic fishing rights, to re-affirm that the Common Fisheries Policy is not a free-for-all."

15:44

Mr Jamie McGrigor (Highlands and Islands) (**Con):** It was good to see a Scottish fisheries minister leading for the UK at a recent fisheries conference. I believe that the Scottish Parliament can be good for Scotland's fishing, albeit only under new management. In recognition of the importance of Scottish fisheries to Europe, I can reveal that the European Parliament's Committee on Fisheries will visit Scottish fishing areas in June 2000 and that the new fisheries commissioner, Franz Fischler, will come on a separate trip in the new year.

Scotland has the most important part of the UK fishing industry, accounting for more than 70 per cent of all fish landed in the UK. The landed value is almost £300 million, which represents almost £1.6 billion when retailed. Two thousand eight hundred vessels employ 6,700 fishermen, which is regrettably fewer than the 8,200 who were employed in 1997. The total number of jobs that are attributed to fishing and aquaculture is between 20,000 and 25,000, many of which are in rural areas, where secure employment is at a premium.

Fishing is a great, traditional, Scottish-owned industry, which demands respect. However, there was not much respect, and absolutely zero consultation, when the new east coast boundary was implemented. A report by the Rural Affairs Committee is due to be published tomorrow, which, I sincerely hope, will recommend a rethink, because the transfer of 6,500 square miles of Scottish fishing territory is not only unnecessary, but insensitive and illogical. The boundary goes straight through the middle of excellent fishing grounds and will cause gross difficulties and irritation. A boundary was set in 1987 to define the offshore jurisdiction of the Scottish courts. We now have an unnecessary second line solely for the Scottish Parliament's legislation.

Better consultation between officialdom and the fishing industry is essential for future policies. Fishing is very heavily regulated within Europe. This Lib-Lab pact is guilty of gold-plating EU regulations and rules to the competitive disadvantage of our fishermen.

One example is the recent farce over amnesic shellfish poisoning. Over the past two years, all king scallops and queenies have been required to undergo tests for ASP at source, but common sense dictates that the time to test the product is the moment at which it enters the market to go into the food chain—end product testing. Our fishermen should have parity on testing with those in the rest of Europe and the world.

The scallop fishermen have suffered, in many cases, from a total loss of income by complying with the ban. I am horrified that the Executive has rejected the principle of compensation for the scallop industry. It is not enough for us to compliment scallop fishermen on their good behaviour during the ban. I suggest that the Executive should reverse its decision and retrospectively compensate the industry for this unforeseeable nightmare. We should remember that there are scallop farmers as well as scallop fishermen. The salmon farming industry has had at least some help-not very much-over infectious salmon anaemia, and the scallop industry should not be forgotten at this crucial time. I press now for a reaction from the Executive to the report on ASP from the Rural Affairs When will the Executive Committee. something?

The most worrying aspect of the whole affair is not knowing from where the toxic algal blooms have originated. If they are a naturally occurring phenomenon, there is, presumably, not much anyone can do, but it is vital that there be maximum scientific research now. The west coast of Scotland has always had a reputation for class A waters. Indeed, the tourist industry sells the area on its environmental excellence. The lucrative and valuable shellfish export trade is very important to west coast fishermen and aquaculturalists, so any loss of confidence in the products from our sea bed is disastrous and difficult to rectify. We must keep a clean sea. Historically, there is nothing indicative of an algal bloom on our west coast, so why is that happening now? We must discover the source of the domoic acid that is being found in scallops, and we must find out why all the cod have disappeared. That is not due to overfishing.

Another major worry is that following the dioxin fiasco in Belgium, the European Commission might set the safe limit for dioxins in animal feedstuffs at a level that would be lower than the level of dioxin that is found in fish from the North sea and the Baltic—lower than the level that is thought safe for human beings. If that is true, the consequences would be catastrophic. I therefore ask the deputy minister to investigate.

The nephrops—or prawn fishery—are very important to both the small boats of the west coast and many white fish vessels. It has become one of our most important landed catches. The TAC should be enlarged to cover the increased area now being fished.

European markets, especially Spain, have been vital in adding to the species that can be traded by

our fishermen. Velvet crabs, green crabs and even razor-fish are now valuable products.

The electronic markets do work, but much of the west coast is not yet equipped to deal in them, due to lack of infrastructure. What is needed there is improved piers and new grading facilities.

I am delighted that the Scottish inshore fisheries advisory group—SIFAG—has recently been established. It should be a good forum for fishermen and others to thrash out the local issues and rules, such as a policy on seal management and charging schemes. Something like that is long overdue and should give a greater voice to the independent fishermen. To be effective, however, it must adopt a long-term strategic approach to the management of the inshore industry.

On fleet modernisation, it is ridiculous that the British taxpayer is subsidising other European vessels, not its own fleet. The UK Government must access the available European funds and must put an end to capacity penalties.

We must modernise, especially on factors relating to vessels which enhance the quality of the catch, including refrigeration, grading and gutting facilities. Improving the value of the catch is paramount; at the same time, we must improve safety.

I hate to say this, but the Government is gambling with the lives of our fishermen. It withdrew safety grants because the Ministry of Agriculture, Fisheries and Food had overspent. That was due to a combination of BSE compensation and expenditure on the pets quarantine scheme, compounded by a shortfall in the money expected from the sale of the Covent Garden complex. Pets before people: that is not good enough. A new approach is needed.

Conservation of fish stocks is being undermined by the dumping of dead fish. Equipment should include technology that protects undersized and immature stock, such as square-mesh panels. Zonal management would give our fishermen a say in their own future. Each species that is important to Scotland must be managed with forethought, to maximise conservation and catch. Haddock quotas have been reduced to profit cod and whiting, but the discards of small fish will negate any conservation benefit. A single TAC for monkfish will require skilful negotiation to ensure that Scottish fishermen have sufficient quotas, especially in the west. The prawn TAC should be enlarged to cover the extended area in which the species is now fished.

It is no good deciding a fishing policy annually; continuous reassessment, at least every quarter, is the way ahead. We believe that the advice of the Cullen blueprint report to locate the fisheries ministry in the north-east, close to the major part of the UK fishing industry, would bring that Government department closer to those most affected by it, and would fulfil the ideal of true devolution.

I move amendment S1M-358.2, to delete from "calls" to end and insert:

"recognises that the current Common Fisheries Policy arrangements are failing our fishermen and calls upon the Scottish Executive to advocate reform of the CFP that devolves power to regional and zonal levels which would give our fishermen better control over the stocks of fish whilst recognising the traditional rights of other countries, and further calls for the fishing section of MAFF to be relocated to the North East of Scotland, the UK's main fishing centre, and that continuous assessment should replace the current practice of annual negotiation."

15:53

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): On behalf of the Liberal Democrats, I would like to welcome the fact that we have this fisheries debate today. We believe that the partnership Executive is effectively representing fishermen's interests, and has given fisheries a much higher profile. Having said that, I would like to make an appeal to the party business managers. We do not have long enough on these debates. It is an important issue, and I know that many speakers want to contribute.

The Executive motion before us should be supported by everyone in the chamber. It is a lever, allowing us to debate the industry and enabling us to support the negotiating hand of the minister as he goes into the annual round of negotiations with our partners in Europe to gain the best possible outcome for Scottish fishermen.

There has been much discussion in the press in the run-up to the negotiations. I like to think that Liberal Democrats the Scottish take а promoting commonsense approach to the interests of our fishermen. I will take the example of the issue of total allowable catches, TACs. We want there to be a real movement towards regional or zonal fisheries management, as many members have already mentioned, because we recognise the need for effective stock conservation, and also because of the need to reform the common fisheries policy.

It is heartening to see that there is a remarkable singularity of view on that matter in the chamber, which is to be entirely welcomed. I am convinced, however, that the only way to secure those aims and protect Scottish fishermen is by engaging in positive co-operation with our European partners, not by competing with them.

Turning to the Conservative amendment, I know that the Conservatives are a bit slow on the uptake, but I would like to inform Jamie McGrigor that, although he announced, in dramatic tones, that Franz Fischler is coming to see Scottish fishermen, the European Committee announced the same thing more than a month ago. He should get a bit more up to date.

The Conservatives are the party of negativity and opposition for opposition's sake, as we have just heard. Their amendment removes the positive and inserts the negative. I would have hoped that they could have at least recognised the positive advantages to our fishermen of European cooperation.

Richard Lochhead: As Mr Rumbles is looking for the positive, I take it that he will be supporting the SNP amendment. If not, will he point out the bits with which he disagrees?

Mr Rumbles: I will do that.

Some astonishing claims are doing the rounds in advance of the negotiations. Some people would have us withdraw from co-operation with our European partners. That is the subject of a large amount of correspondence, in the north, in *The Press and Journal*.

I would like to quote one of my constituents from Stonehaven, Mr Mike Park, the chair of the Scottish White Fish Producers Association. In a letter to *The Press and Journal* he says:

"The only real possibility in the near future of the industry being allowed to catch more fish is if we allow the stocks to recover. So let's start speaking about technical measures and other possible step, such as moving away from quotas, to enable this year's big brood of haddock to survive. So let's adopt a strategy that can have a long-term objective."

Mr Park is right: sorting out the problems of the fishing industry cannot be achieved by walking away from co-operation with our neighbours in Europe. Part of the solution lies with using the strength of the UK in our negotiations to reform the common fisheries policy in 2002. The Scottish Fishermen's Federation is being particularly helpful and constructive in its willingness, even unilaterally, to adopt additional conservation measures.

I will now turn to the SNP amendment. Without doubt, Scotland is better off in Europe by using the weighted voting system at the Council of Ministers, which provides us with 10 votes, as the minister pointed out, as opposed to the three votes that we would be entitled to as a small nation, like Ireland, Denmark or Finland.

Mr Alex Salmond (Banff and Buchan) (SNP): The member will remember that his party is in opposition at Westminster. I was present at a debate on fisheries at Westminster—there were nine members in total—when a Liberal Democrat spokesman had a policy agenda that, in certain aspects, was different from that of the Labour minister. Can Mr Rumbles conceive of a situation where an English fisheries minister and a Scottish fisheries minister might have different views? In such a case, whose voice would be heard in European negotiations?

Mr Rumbles: It is quite clear that we are part of the United Kingdom and part of a team. When the United Kingdom team goes to negotiations, that is the voice that is heard. The argument that Scotland, as the principal fishing nation of the UK, should always take the lead in the negotiations is not logically sustainable. On the one hand, the SNP is prepared to exploit membership of the Union; on the other hand, it wants to abolish it. That is not consistent. On that basis, the SNP amendment is unacceptable.

Mr Salmond: Will the member give way again?

Mr Rumbles: No, the member will have to wait.

Arguing that the Scottish Executive has only a limited role in negotiations undermines Scotland's position. Surely the whole Parliament should be giving its negotiators a ringing endorsement.

Richard Lochhead: Will the member give way?

Mr Rumbles: In a moment.

Members will have received a copy of the publication by the Scottish Fishermen's Federation, "Scottish Fishing Industry: Current Concerns", which it produced to give members preparation for today's debate. It makes several excellent points, some of which I want to draw to the members' attention.

On the back of the document, the Scottish Fishermen's Federation outlines the principal issues on which it will carry out research, with a view to mounting campaigns in the coming year. It identifies issues such as working for a sustainable fishing plan, zonal management, and quota trading and capacity regulations. It has produced an excellent document. The commitment of the Scottish Executive, as published in the partnership agreement between the Labour party and the Liberal Democrats, is

"to encourage the development of sustainable and locally managed fisheries to support local fishing communities."

There is a certain resonance between those two documents.

Mr McGrigor: I am sorry that I reminded everyone that Franz Fischler is coming, but, as not all members are on the European Committee, some members may not have known.

Talking of committees, when is some sort of response going to be given to the report of the Rural Affairs Committee on ASP? The poor scallop fishermen are getting poorer—they have nothing left. Does Mr Rumbles agree that they should not be given any compensation? **Mr Rumbles:** Jamie McGrigor has illustrated the point that I made previously about the Conservatives. Everything that he mentioned—was it positive? No. It was entirely negative.

Mary Scanlon (Highlands and Islands) (Con): Will Mr Rumbles answer the question?

Mr Rumbles: Other issues are exercising the minds of our fishermen, not least of which—

Mr McGrigor: Is the Executive trying to do something positive?

Mr Rumbles: I remind Mr McGrigor that I am not the minister who is in charge of that department.

Other issues are exercising the minds of our fishermen, not least of which is the Scottish adjacent waters fishing boundary, an issue that was raised by the minister. That important issue is also highlighted in the federation's document, and I believe that I should emphasise our views on it.

As members may know, the Rural Affairs Committee has taken evidence from the Scottish Fishermen's Federation and the minister, and the committee's report is to be launched tomorrow. I will not confirm leaked press reports that were published in *The Scotsman* concerning the view that was taken by the committee. I can confirm, prior to tomorrow's launch, that the Liberal Democrats are fully supportive of the efforts of Archy Kirkwood, the local MP for Roxburgh and Berwickshire, who is trying to change that new and unwelcome boundary.

I return to the main issues at hand.

The Deputy Presiding Officer (Patricia Ferguson): Very briefly, please, Mr Rumbles.

Mr Rumbles: The focus should be on fisheries, not on generating anti-European or nationalistic rhetoric. The Liberal Democrats are not trying to justify the short-term and piecemeal way in which fisheries policies develop. Our priority is to find a constructive way forward that will deliver the goals that are shared by the fishing industry and all of us. That is why we should focus on the terms of the Executive motion that is before us today. All members should call on the Executive to seek the best possible outcome for Scottish fishermen that is consistent with sustainable fishing. We owe it to our fishermen to be positive and constructive, by supporting the motion.

The Deputy Presiding Officer: We now move into the open part of this debate. Several members want to speak in what will be a relatively short debate. I therefore ask members to keep their speeches to no longer than four minutes. 16:02

Rhoda Grant (Highlands and Islands) (Lab): I am a member of the Rural Affairs Committee, and we appear to be firefighting all the time when it comes to the traditional industries of the Highlands and Islands. It is with a sense of relief that I welcome the opportunity to step back and consider the direction that the sea fishing industry might take to ensure a more stable future.

In the sea fishing industry, there are potential problems. One that worries me is the future allocation of quotas to fishing boats. At present, quotas are traded for large amounts of money. That means that young people who want a career in the industry will be unable to have one. To become a fisherman, not only does someone have to spend a large amount of capital on buying a boat, but they must also buy a quota. If that continues, there will be no young people in the industry, and guotas will increasingly be bought by large organisations. There is no easy solution to that problem. To prohibit the sale of quotas would drive the market underground, perhaps, or mean that those who had already laid out large amounts of money for their quota would be unable to recoup that outlay.

However, the trade in quotas is a risky business, as quotas can be cut, meaning that that investment is lost. We need to find another way in which to allocate quotas, so that the gamble is taken out of the equation and young people will be allowed to join the industry. A few weeks ago, we debated community ownership of the land. should consider community Perhaps we ownership of the sea. A scheme is running in Shetland, for example, whereby the community buys quotas that are then allocated to local fishermen. Under the current quota regime, they must buy those guotas at market value. That may not be regarded as the best use of public money, when the risks that are involved are taken into account. That said, if we are in the business of protecting fragile economies, that is the best way forward in the current climate.

The Executive has made much progress in including the fishing industry in decision making that affects it, and in involving the industry in policy making. I welcome the minister's announcement about the local management of fisheries. I ask the minister to involve the industry and communities that are dependent on fishing in the finding of ways to allocate quotas. Perhaps quotas could be allocated to the local management groups. The by Shetland shows that initiative taken communities are already aware of the problem and are beginning to deal with it. We do not want to end up debating a crisis in the fishing industry due to the allocation of quotas. We have to work together to find ways to protect the industry and ensure that young people from all parts of the Scottish coast are able to find a career in sea fishing.

16:05

Mr Duncan Hamilton (Highlands and Islands) (SNP): I want to focus on the aspects of this debate that affect the west coast, an area that is often overlooked. I want to consider the impact of the financial climate, particularly the situation with the scallop fishermen, on the communities on the west coast.

As was mentioned earlier, I had a meeting with the minister on Monday. If he came out of that meeting with an impression that it had been positive, it is clear that we are on two different planets. The representatives of the industry were disgusted with the Executive's lack of vision. There needs to be a lot more creative and strategic thinking. It is fine for the Executive to put together a committee to pull together all the interests, but why has it taken so long to do so and what will the Executive bring to it? It is the job of the Executive to provide strategic vision, but that is not what it is doing.

I want to talk about two areas: scallops and monkfish. I see that there is to be a 40 per cent reduction in the west coast quota for monkfish. What is the minister going to do about that? How hard is he going to fight? What representations is he going to make?

Mr Home Robertson: The reason that the situation is on the agenda is that scientists have discovered a serious fall in monkfish stocks. I understand that the situation presents a problem for people on the west coast and we will consider how to mitigate the problem. Cuts will be phased in, for instance. The fundamental problem is that the stocks have collapsed and something must be done to rectify that situation.

Mr Hamilton: It appears that the Executive will not do a lot. At the very time when the west coast does not need this reduction in quotas, it has got it.

I want to talk about the issue of compensation for scallop farmers. There is an idea that the Government can do nothing about the situation, but that is not true. The regulation that Mr Home Robertson referred to earlier says that member states may grant compensation to fishermen and owners of vessels for the temporary cessation of in the event of unforeseeable activities circumstances, particularly those caused by biological factors. The Executive could compensate the scallop fishermen if it chose to but it has chosen not to. Why does it not have the guts to say that that is the case? The people in the industry know that the Executive is not committed

to helping them out.

What imaginative proposals or legislation is the Executive bringing forward? The minister knows that massive capital investment is needed if the industry is to diversify. The case we talked about at the meeting on Monday would need £30,000. The problem is that the enterprise structure requires that 75 per cent of that money be put up by those seeking to diversify. What creative proposal does the Executive have to ensure that the problem is solved?

Mr Home Robertson rose-

Mr Hamilton: I will not give way as I have only 30 seconds left.

Much more effort needs to be put into research. Susan Deacon told the Health and Community Care Committee that the new Food Standards Agency would examine the problem as soon as possible. Has that happened? What money is behind the examination? What more will the Executive do to find the root cause of a problem that is crippling the west coast of Scotland?

16:10

Elaine Thomson (Aberdeen North) (Lab): Fishing has long been an important part of traditional economic life in Scotland, especially in Aberdeen and the north-east. If managed well, it should continue to be one of Scotland's sustainable industries, providing high-quality, healthy food for generations.

However, if it is to continue to be a sustainable industry, managing fish stocks effectively will be crucial. That depends on good science, such as that provided by the marine laboratories. We in the north-east are lucky to have the Aberdeen Marine Laboratory, which plays a vital role in providing accurate and detailed information on marine ecosystems, allowing us to manage fish stocks and to make accurate forecasts for use in quota negotiations. We must continue to learn more about the various species that are important for commercial fisheries, so that the quotas are negotiated and set on the basis of sound science.

Recently, the haddock quota was increased. That was the result of good scientific data showing that haddock had had a record breeding year. That may be connected to the recent discovery by the Oban marine laboratory of coral colonies on some of the older offshore oil and gas installations. It has been suggested that such colonies could provide a better habitat for fish, but gaining such information will depend on good scientific data and the work done by the industry and by the laboratories.

In future, the industry will benefit through working partnerships involving the scientific

community, the catchers and processors, and the different levels, national and European, of Government. For instance, some 60 per cent of fish processing is done in Grampian, and that has been very hard hit by the effects of the European Union waste water directive. However, different bodies working together in Aberdeen found a solution that protected the industry and the environment. Solutions for quota problems must ensure, in the same way, the survival of the industry while also protecting the environment.

We need to develop a strategic framework for the fishing industry, as that will be important in securing the long-term viability of the industry. The introduction of square-mesh nets will also be important.

We know that Scottish fish landings represent 68 per cent of United Kingdom landings by volume and 60 per cent by value. However, we need to recognise fish and shellfish as prized luxury products to be treated accordingly. That will help to add value to fish and fish products. Many Aberdeen families tend to regard fish as an everyday food that should be cheap and plentiful. I would argue that we need to prize fish more highly than that if we wish to have an industry that is sustainable in the long term. Fish fits well into modern lifestyles and it should be the ultimate fast food.

The advent of the Scottish Parliament can only be good for the fishing sector. This is the second debate that I have taken part in on the fishing industry, and I know that the Scottish Fishermen's Federation and other fish industry bodies are able to lobby the Parliament easily and regularly, ensuring that I and others are well informed. Fish will have a much higher profile in this Parliament than was ever possible at Westminster, which is correct given the relatively higher importance of fishing in Scotland.

One of the hallmarks of the Labour Government since it was elected in the United Kingdom in 1997—and of the Labour Government in the Scottish Parliament—is a willingness to consult and discuss. That has been shown in the setting up of the Scottish inshore fisheries advisory group. For the first time, the fishing industry has been directly involved in policy development. Working together can only be positive; it is a move that is to be welcomed.

16:14

Euan Robson (Roxburgh and Berwickshire) (LD): I would like to make three brief points. I especially welcome the new approach on safety. The Scottish sea fishing safety scheme is a good idea.

I congratulate the minister on dispelling some of

the confusion that the Deputy Prime Minister might have created some weeks ago. It is important that boats under 12 m in length are included—that is very useful. I agree especially with the point—the minister made it forcefully—about creating a safety culture. I look forward to hearing about progress on that and about his talks with the industry in the coming months.

I am glad that the minister was able to negotiate the extra North sea prawn quota, which allows boats of under 10 m to continue to fish. There was a danger that they would be tied up at the quay for three months. However, it is important that that lesson is taken into the December talks, so that we can get a higher quota. As I understand the scientific evidence, there is extra capacity and I wish the minister success in achieving a higher quota.

I ask the minister to examine engine size and related problems carefully. There must be more flexibility in the approach to this matter, as there are difficulties. He and I have corresponded on some of them. I ask him to take to the European Union the strong view of this Parliament that there should be flexibility in the rules governing engine size, in order to cope with some of the circumstances—misunderstandings and mistakes—that arise. Flexibility would allow for fewer unnecessary penalties on fisherman, which can sometimes be imposed as a result of difficulties with engine capacity.

The Deputy Presiding Officer: As there has been a change to the list of SNP speakers, I call Dr Winifred Ewing.

16:16

Dr Winnie Ewing (Highlands and Islands) (**SNP):** When Scotland is once again an independent, normal country, the history books will look for the reasons why. I believe that one of those reasons will be the sell-out over the 6,000 square miles, which will be equated with the sellout by those who signed the Treaty of Union.

I have been asking for the true reasons behind that extraordinary sleight-of-hand, dead-of-night, stealthy theft. One reason we were given was that the median line had to be tidied up. The expert on the subject, who advised the Government on the petroleum boundary, which gave Scotland the boundaries we always thought we had, examined all international fishing boundary disputes for decades and found that two thirds were not settled by the median line. That is not in dispute, nor is it in dispute that the Treaty of Union gave Scotland total control over criminal law—I regard that theft as a breach of the Treaty of Union.

It is not in dispute that there was no international demand for the boundary change—which,

apparently, came at the initiative of the Scottish Executive—nor is it in dispute that there was no consultation with the fishing associations of Scotland or England, all of which were absolutely astonished and furious that they had not been consulted. What about consensus politics? Fishing experts from non-Executive parties were not even given the courtesy of being told about such a major change.

Alex Fergusson (South of Scotland) (Con) rose—

Dr Ewing: I am sorry—I want to finish this point and then I will give way to Alex Fergusson.

I meet diplomats who are horrified by what has been done to us. Could the real reason behind the change be the propping up of English tonnage? Could it be that there is mineral wealth under the sea bed? Could it be to show Scotland up: "You've got your devolved Parliament, but don't think that Westminster doesn't rule, even on devolved matters."

Alex Fergusson: I am grateful to Dr Ewing for giving way.

In the minister's introductory speech, he spoke with great pride of making his first speech in the Scottish Parliament, for which he had always campaigned, and of being the fisheries minister. Does Dr Ewing agree that it is almost disgraceful that he should choose to denigrate the desire of this Parliament to discuss that fishing boundary early in its history and that it was out of place for a minister of this Executive to do so?

Dr Ewing: The member will not be surprised to learn that I thoroughly agree with him.

I was a member of the European Parliament for 24 years, during which time I served almost continuously on the fishery committee. During that time I saw many sell-outs, but I will mention only two that stand out—they involved sell-outs to Spain.

The first was the 10-year revision of the common fisheries policy, during which only three issues could properly be revised: the Shetland box and two non-controversial issues. Instead of revising those issues, a total revision of the common fisheries policy took place which suited Spain but not the Scots or, probably, the English. In law, there needed to be an intergovernmental conference to agree those alterations, but there was none. I was the only member of that Parliament to object. The UK did not.

I thought that new Labour said that it would deal with quota hopping. Alex Salmond in the House of Commons and I in the European Parliament warned that the proposed legislation would be discriminatory because it was based on nationality. We asked for the legislation to be based on residence, which would not have been discriminatory. We are now seeing massive claims for compensation.

Is there a hidden agenda in selling out to Spain? Was it Madame Thatcher's juste-retour in getting back a lump of money, or has it something to do with Gibraltar?

Writing of the union, Benjamin Franklin said that England has caught Scotland fast and has treated her with utter contumely. I do not blame the English people, who are full of good will towards Scotland, but the politicians of the unionist parties in successive Governments who have sold out our fishing interests. Although not all Scots have fishing relatives, every Scot is deeply sympathetic to fishermen, who bravely put the fish on their tables. The Scots will not forget this series of sellouts.

16:21

Lewis Macdonald (Aberdeen Central) (Lab): Like other members, I welcome the opportunity for Parliament to focus on the current issues facing the fishing industry in advance of the December Fisheries Council. A couple of practices that have been inherited from Westminster should continue: one is this debate on such an important Scottish industry.

It has been pointed out that thousands of jobs, often in vulnerable communities, depend on the catching sector, but there are thousands more in fish processing, the fish trade and fishing industry supply in my constituency and other urban areas. The problems facing the fishing industry concern the whole of Scotland.

Devolution should make a difference in this part of the economy. The minister reminded us of the setting up of the Scottish inshore fisheries advisory group, which is an important step in itself, and of other steps that have been taken to promote coastal management of fisheries around Scottish coasts. welcome the today's announcement of a Scottish sea fish industry safety scheme and the fact that that might be extended to smaller inshore fishing vessels as well as vessels covered by the former Ministry of Agriculture, Fisheries and Food scheme.

What will not change in the fisheries industry—at least not this side of 2002—is the need to get the best possible deal for the Scottish industry in annual negotiations with the EU and Norway. I commend the minister's efforts in those two areas.

The minister spoke of technical measures that might help the problem of the haddock quota. A marginal reduction in the permissible size of haddock landed and in the levels of discards of young fish might help to achieve an effective balance between conservation and sustainable levels of catch.

My concern is not with what ministers should do if there is resistance to taking advantage of the Hague preferences, but with how to take full advantage of them. I ask ministers for an assurance that, when they go to Brussels to negotiate at the Fisheries Council, they will make maximum use of the available protection in cases where total allowable catch has been driven down for scientific reasons.

Other matters dealt with by Europe that are less directly related to the Fisheries Council are still of concern to ministers and the industry. The urban waste water directive has been mentioned. I welcome the steps that have been taken in that respect by the processing industry and by Aberdeen City Council. I hope that similar steps can be taken elsewhere.

Ministers should also consider control regulations on the landing of fish and make a case with their colleagues for promoting more rather than less flexibility in regulating the landing and transportation of fish. I realise that environment ministers deal with such matters, but the industry will be interested in getting a result in this area.

I support the motion and wish the minister well in a few days' time. I believe that devolution of the Scottish fisheries sector will work to the industry's benefit and will provide a basis for the negotiations that will have to take place in 2002 for the new fisheries policy. We should seek neither to displace UK ministers in leading for the UK industry in European negotiations nor to supervise English fisheries from Peterhead or Aberdeen, attractive though that idea might be. Instead, Parliament should unite to support our industry.

Mr David Davidson (North-East Scotland) (Con) rose—

Lewis Macdonald: I am afraid that I cannot give way during my summing-up.

We should unite to wish the minister well and to seek the best possible outcome of the Fisheries Council later this month.

16:26

Mr John Munro (Ross, Skye and Inverness West) (LD): I am delighted to be able to take part in this debate on fisheries: it is an opportunity that may not be afforded to us for much longer, given that in the first few months of this Parliament's existence we lost 6,000 square miles of our fishing territory. I wonder what is next.

I have listened to the arguments between the various fishing interests over many years. Much of what we are debating today concerns

conservation. I have heard the arguments between the trawlermen and the creel men. There is constant conflict. Attempts have been made to rationalise and harmonise, with conservation in mind. Way up in some of the inland lochs on the west coast of Scotland, closure orders have worked well while still in place, but the lochs have been plundered on the day the orders were lifted and the situation has been made worse than ever. Conservation did not work there.

We hear much about quotas. They have been the answer to everybody's prayer, provided they have been implemented and organised properly. However, everyone knows that the aim of the quota system has been defeated because mesh sizes and the fish that are landed are small and fish are returned to the sea bed dead. There is not much conservation there.

Vessels were decommissioned to help conservation. That was fine, except that smaller vessels were decommissioned—usually those below 10 m long and of less than 150 bhp. The result was that six smaller vessels were taken out of a fleet and replaced with one much larger vessel with a catching capacity far in excess of the six vessels that were decommissioned and with far greater horsepower. That system did not work.

New vessels are fishing inshore almost to the high water mark. I was told that they are fitted with wheels to enable them to do that. Where will this stop? We must ensure that we enforce a larger mesh size. Much has been said about that, but we have come to the stage where we must enforce it, and preferably enforce a square mesh so that smaller fish are able to escape and enhance the stocks that we are trying to retain.

I wish to promote the concept of coastal sole management, whereby communities are given a marine zone to manage and control out to the 25 mile limit, which gives them the opportunity to sustain their communities and their fish stocks. A priority must be to find a constructive way forward, involving all the political parties, that will satisfy the aims and objectives of conservationists, fishermen and communities.

16:29

Mr Murray Tosh (South of Scotland) (Con): It is with some trepidation that I rise to speak on this topic, as it is one on which many members are better informed than I am. However, regional members must learn about the issues that affect the areas they represent and I have spent some time during the past few months trying to get a hold on fishing issues. In the briefing material that fishermen send to members of Parliament, they make a number of cogent points, some of which the minister touched on today, and some of which he did not.

For example, I am sure everyone welcomes the point the minister made about pursuing the issue of smaller square-mesh panels. I did not quite grasp what will be done about that or what the time scale for it will be; neither did I grasp whether this initiative will, if necessary, be introduced only in Scotland. The minister said that he will pursue its introduction in the UK and Europe, but if he cannot persuade the UK Government or Europe to implement the proposal, will it be introduced in Scotland? The fishing industry would like more detail on that.

Fishermen to whom I have spoken have not disputed the principle of sustainability. Their concerns have been about how sustainability can be established and about specific quotas. There was great concern about the haddock quota, which has-as the minister said-been amended as a result of talks with Norway. Does the amendment of the quota mean that the criticisms of how the fishing industry assesses quotas and of the science that applies to the establishment of quotas are justified? Is it valid that decisions that stand for a year are taken in November and December, and that no on-going measurement is used? Are we measuring such things properly? How scientific are the quotas? The minister did not address those points.

One thing that struck me from the press coverage of the talks with Norway was that our fishermen did not look for any increase in their cod quotas. They recognise the difficulty that cod fishing is in. During the talks, however, the Norwegians' cod quota was tripled. That left Scottish fishermen wondering whether there is a marine equivalent of the fabled and legendary level playing field; they got nothing extra and the Norwegians' allocation was tripled.

There are many other related matters, such as funding for modernisation and renewal of the fleet. The fishermen do not say that they necessarily want massive subsidies, but they want the same treatment as their competitors in other countries. There is no level playing field for that, either.

I return to whether there should be separate Scottish regulations and conservation measures. The minister touched on the issue about Berwickshire.

Mr Home Robertson rose—

Mr Tosh: I will not make a facetious point about the sheriff court in Duns being 11 miles from Berwick, although I welcome the ministerial assurance that there will continue to be a sheriff court in Duns.

If there are different regulations in what are now English and Scottish waters, how will the industry be affected? Even at this stage, is not the minister prepared to envisage the possibility of difficulties in future-difficulties that non-political and nonexcitable men in the Scottish Fishermen's Federation continue to emphasise? The Liberals were quoted in the press last week as saying that the mood in the chamber is that that issue should be re-examined by Parliament. I hope that, even now, the minister will dig himself out of the hole into which he has dug himself over the matter-a matter on which his dogged refusal to address the industry's and the Parliament's concerns seems unnecessarily abrasive and confrontational. It would be pertinent for the Parliament to go back to Westminster and ask that the matter be reexamined.

When the report comes out tomorrow, I hope that the minister will agree that Parliament can discuss the matter and that it can set about undoing what is undoubtedly a mistake made initially at Westminster, but compounded by the error that this Parliament made in June. Parliament can remedy that error if the minister will agree to co-operate with Parliament. I trust that he will take the opportunity to do that.

16:33

Tavish Scott (Shetland) (LD): I know that you, Presiding Officer, have some personal interest in fisheries and that you know some of the leading lights in Shetland—my part of the world. I was reflecting on that last night as I went through fisheries papers. The fishing industry in Shetland is crucial and is worth some £160 million. The December Fisheries Council is seen by many people in Shetland as a necessary and anticipated evil.

The secretary of the Shetland Fishermen's Association is on local radio more than the local MSP—which is, of course, a great relief to the people of Shetland. The council is an important time and we should go forward in the constructive manner that has, on the whole, been suggested by what we have heard today. I wish that people had concentrated on the fact that we are debating the Fisheries Council, rather than some of the other more necessary, as some would see it—political items.

I would like to pick up on a number of points that have been raised. When the European Committee discussed fisheries briefly yesterday, the view that was expressed—a view that comes across strongly in the representations that we receive from the industry—was that an annual ritualistic cycle is no way to run a business.

Fishing and fishermen with their boats are a business and should be seen as such. They must plan and invest year to year, but trying to do that

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when it is not clear what will happen and when there are rises and falls in planning quotas is not an appropriate way to run an industry. I agree with what Richard Lochhead and others have said about continuous assessment of quotas. I hope the Deputy Minister for Rural Affairs will support that.

The principle that fishermen should be involved in industry decision-making processes leading to stock assessments is crucial. I encourage the minister to take that forward in every way he can. Elaine Thomson mentioned the relationship between scientists and fishermen. The way in which the North Atlantic Fisheries College in Shetland works is an excellent example of that.

I read the *Hansard* report of the recent Westminster debate that Alex Salmond mentioned and noticed that the MP for Great Grimsby, Mr Mitchell, suggested Grimsby as the location for the national institute of fisheries, recommended by a recent House of Commons select committee report. Andrew George, speaking for the Liberal Democrats, pointed out that in an age of information technology a national institute could be spread round institutes and sites of scientific skills around the whole of the UK. The North Atlantic Fisheries College in Shetland is the premier example in Scotland and I hope that all parties will support a role for it in such a concept.

Important points were made today about measures to conserve fish. They should be supported by all parties. Lewis Macdonald made those points well. I tried to demonstrate to the European Committee yesterday—rather badly, I may say—the benefits of different styles of net. I will not go into that again. The Deputy Minister for Rural Affairs knows the arguments; there is a real mood for conservation changes in the haddock fishery. Murray Tosh did not seem quite to pick up that point—we are talking about haddock, not all species. If he had read the Scottish Fishermen's Federation brief, he would have seen, on haddock:

"The Federation's objective is to restore the quota by adopting, unilaterally, additional technical conservation measures."

That is a legitimate and very important point for the future of sustainable fishing of that species.

The minister's announcement on safety was good. Since he mentioned horsepower, will he in his winding-up speech consider that the really important issue there is dealing with the different regimes that apply across Europe? Our fishermen must not be disadvantaged by a horsepower regime that is different from that in the rest of Europe.

Mr Home Robertson: That is a point I have taken up personally with Commissioner Fischler. It is imperative that the regulations should be

applied fairly and right across the European Union. I have that assurance from him.

Tavish Scott: Thank you. Fishing is a hugely important Scottish industry, it is right for us to have a debate on it now, and I hope the Parliament will support the motion in the name of the minister.

16:38

Mr David Davidson (North-East Scotland) (Con): Today's debate is about a sustainable future for the Scottish fishing industry and I welcome it—and, Dr Ewing, my family was heavily involved in the fishing industry until quite recently.

The fishing sector is not just about catching fish: it is about all the other jobs that back it up, such as boat repairs and servicing; bunkering; catering; net manufacture and repair; harbour and market staff; and the training, which Richard Lochhead mentioned, in Banff and Buchan College, Aberdeen College and others. The haulage industry is also a key part of it. Unfortunately, the Labour Government has not assisted it, so the fish processing industry is now being run more or less from France and not by indigenous operators.

The minister fleetingly mentioned the fish processing industry and the European waste water directive. Sarah Boyack was in this chamber when I had the honour of the first member's debate. She came here without any real understanding of what we were talking about. She thought that it was a green argument; we were talking about industrial survival and the need for the Government to use its powers. We just got a rejection.

What the minister can do now is take the message back to the various departments, in Edinburgh and in the south, and say: "Look, we have got regional funds. What do we need to do to help the fish processors stay alive?" Through the directive, they have to go into the new treatment schemes; many cannot afford it.

Lewis Macdonald: Will the member give way?

Mr Davidson: In a moment, Lewis.

Years 1 and 2 will probably be dealt with. A wonderful scheme in Aberdeen has been mentioned already. In other areas, that may not be affordable. We need a little bit of intervention, because in the past other indigenous industries have received direct support, in capital form, to enable them to carry on and provide jobs. If processing goes, market landings will die, our ports will wither and fishermen will go abroad. We are talking about massive damage to Scottish fishing communities. I hope that the minister will take that message away.

Lewis Macdonald: I thank the member for giving way. Does he accept that the initiative of

local government and the industry, and the support and flexibility shown by the Scottish Executive in dealing with the waste water treatment directive, has allowed Aberdeen to make proposals that will meet those problems?

Mr Davidson: I am sorry, but Lewis was winning until he mentioned the co-operation and flexibility of the Scottish Executive. The Scottish Executive, in the form of Sarah Boyack, threw our concerns back in our faces in this very chamber several months ago. She was not for moving.

Consider regulation; people have talked today about over-regulation—

Mr Salmond: Will the member give way?

Mr Davidson: Let me finish this point.

People have talked about over-regulation at sea. There are many aspects to that, such as radio controls. What about the control regulations that Lewis Macdonald touched on? If the Executive is really trying to help—it must agree to this regulation—it should monitor the fish as it comes off the boat, not involve merchants and everybody else in a paper-chase of pieces of paper attached to every box of fish they buy.

Mr Salmond: I agree with David Davidson on the waste water issue. However, on the Tory amendment, why did the Tories not move MAFF to the north-east of Scotland in their 18 years of office, instead of selling out the industry? Would it not be a good idea to move the Scotlish department to the north-east of Scotland before we move the English department?

Mr Davidson: We did not suggest that the ministry should move. We are suggesting that the operating front of the industry should be relocated to the north-east, which is the base for the bulk of British fish landings and most of the Scottish organisations. We are saying, "Yes, let us look at it." That is what we propose.

Tavish Scott: Look back.

Mr Davidson: Why should we look back? If he is going to look back, Mr Scott should suggest to his colleagues on the Labour benches that it is inadmissible for them to come here today, two and a half years into a Labour Government, to talk about these issues. When did fishing receive help from them? Does the Labour Government recognise the industry?

By the way, Mr Rumbles, this is up to date. In this afternoon's press release from the minister's department, there is talk of safety. I do not see anything in it about quota management, regional management, common fisheries policy reform, capacity penalties or the problems of the west coast. There is nothing in it about horsepower, or about why the minister rejected the idea of processors being able to man the Scottish inshore fishery advisory group. There is certainly nothing about inactivity over the past few months. I admit that one or two of the minister's comments were valuable and I look forward to seeing them come out.

The Deputy Presiding Officer (Mr George Reid): In conclusion, please.

Mr Davidson: It is a shame that Mike Rumbles picked on one little aspect, instead of going for the jugular and coming up with something sensible.

I will touch briefly on the Liberal contribution—at least, I think that is what it was meant to be. Once again we saw Mike Rumbles fishing for ideas. He was asked time and again whether his party agrees totally with the Labour group. Or is it only him? Even Mr Scott was quite honest about his approach. I thank John Farquhar Munro for his wonderful speech, which was delivered with gusto, feeling and realism, on the crisis facing the different aspects of the fishing community in Scotland. There is cross-party agreement. I hope that we can work together, but that very much depends on the minister coming back to the chamber and telling us what he is doing.

Mr Rumbles: Will the member give way?

The Deputy Presiding Officer: I am afraid that the member has already sat down, Mr Rumbles.

16:45

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): The debate is welcome; some good points have been made in all parts of the chamber, of which I will refer to a few.

Fishing is indeed a very important industry, and David Davidson was quite right to refer to the downstream aspects of the industry, which create so many jobs.

The minister started off, bizarrely, with a reference to one of his ancestors and the vote on the Treaty of Union. We must wonder whether the minister's ancestor would have approved of his successor's stance.

The minister also urged us to ignore the boundary issue and then proceeded to spend the next couple of minutes talking about it. I was glad that, in her speech, Winnie Ewing managed to link that issue back to the Treaty of Union.

Why is the minister so sensitive and defensive about the boundary issue? I know from experience that Scottish National party members always bring out the worst in the minister, but he should be big enough to recognise that the redrawing of the boundaries has been a colossal mistake on the part of the Administration, or at least of his colleagues at Westminster. **Mr Home Robertson:** Does the member acknowledge that the important thing is to ensure that our fishermen continue to have access to their fishing grounds? Does he welcome the fact, as I pointed out earlier, that Berwickshire fishermen were fishing recently off the Northumbrian coast and that people from the north-east of Scotland were fishing off Cornwall? That is what matters.

Alasdair Morgan: I agree that that is an important issue. However, I draw the minister's attention to the representatives of the fishing industry, who believe, like us, that the boundary issue is important. If the minister would sort out the matter quickly, as he could if he made the proper representations to his colleagues at Westminster, we could put the boundary issue to one side once and for all and get on with dealing with other issues. Otherwise, I fear that we will begin to regard the boundary issue as symptomatic of the minister's position.

The minister referred to local management being developed in Scotland. I agree that we need that, but we also need its counterpart, zonal management within the European Union framework, as recommended by the European Committee. I am aware that the minister referred to that issue later on, as did Richard Lochhead.

The European Committee's other recommendations are also important. It is certainly important that we scrap annual renegotiations, to which many members referred, and consider some kind of continuous assessment, which would be more in line with a medium-term strategy.

I am glad that the minister brought the argument for further technical conservation measures into his speech.

The minister referred, I think, to ironing out quota fluctuations, but we must go further than that. We need a longer-term management strategy.

Richard Lochhead referred to the fact that the UK minister voted against the November settlement, which the minister then did his best to defend. I look forward to the response from the Minister for Rural Affairs. Mr Home Robertson also referred to the Hague preferences, as did Lewis Macdonald, and to the need for them to be invoked if necessary. I invite the minister, in his summing up, to say whether the UK minister would invoke them, or would at least give Mr Home Robertson permission to do so.

Jamie McGrigor started off his speech with the important matter of scallops. He referred to the need for end product testing, instead of the current regime. There is a good case for that. There is a considerable market for scallops with the gonads removed. In Kirkcudbright, in my constituency, there is a considerable industry around that product, which is sold to France. However, currently the industry is excluded—along with all the others—even though those scallops pass all the tests. I wrote to the minister on the subject some two months ago, but I am still waiting for a response.

Jamie McGrigor also referred to the need for further scientific information and for the industry to have confidence in such information. There is a suspicion that research in many areas is underfunded. That is another matter which the minister could examine.

As other members said, the Tory amendment is a bit of a joke.

Mr McGrigor: All that is suggested is that we do what the party campaigned on. We campaigned on the Cullen blueprint, which suggested moving the Government department for fisheries to Aberdeen, for health to Dundee and for agriculture to Perth. I am surprised that the SNP wants to keep things at Westminster, but I am delighted to hear that that is the case.

Alasdair Morgan: I get the point. I know that the Tories are allegedly convinced about devolution, although when I hear their English colleagues at Westminster, I am not so sure of that. However, when fishing is already devolved, I do not know what is served by moving the fishing section of the English and Welsh ministry up to Aberdeen. What we should be doing is moving the responsibility, not the building.

Mike Rumbles spoke about who should take the lead position in the EU negotiation, but his vision of a UK team, including the Liberal Democrats, does not square with what I have seen at Westminster. The key word when dealing with fishing in Europe is not votes, but priority. Norway is outside the EU, and Denmark and Spain are inside the EU, but all have secured good deals because they see the fishing industry as a priority. There is evidence of that in the way in which the Spaniards accelerated their access to western waters. The UK, by contrast, has traded away fishing rights. During a four-year period in the 1990s, for example, the Scottish department was in favour of a decommissioning scheme but MAFF was against, which meant that we did not get one. It is not votes that are most important, but the priority that we give to the fishing industry.

Mike Rumbles felt that he had to make the ritual condemnation of the SNP, but if he had read our amendment, he would have noticed that it is about transferring the UK responsibility. The amendment is not about breaking up the UK or losing its precious 10 votes, but about recognising the preeminent position of the Scottish fishing industry. I wonder why Mike Rumbles cannot support that.

John Home Robertson spoke about being at the

front of the UK delegation—I think that those were his words. The question is, will he be the puppet at the front of that delegation, with MAFF behind him pulling the strings? That is a judgment that we and the industry will have to make in due course. Let us hope, for the sake of this very important industry, that the minister will be speaking and winning for Scotland.

16:51

The Minister for Rural Affairs (Ross Finnie): I am pleased to have the opportunity to wind up the debate. I apologise for my extraordinary nasal tone—I am afraid that something has afflicted me.

I share Alasdair Morgan's view that this has been a constructive debate. At times it has ranged into other matters, but never mind. For the most part, this important subject has had the attention that it deserves.

I want to take up and respond to some of the important points that were made by members, but I want to make one or two general points by way of introduction.

Like my colleague the Deputy Minister for Rural Affairs, I acknowledge the importance of fisheries to the rural economy in Scotland and the hazardous nature of the industry. I am delighted that over the past six months we have made good progress towards three key objectives: effective conservation of fish stocks, because that is the long-term future; the creation of a modern forwardthinking industry, geared towards satisfying market demand for high-quality fish, because that is how profitability will be assured and maximised; and a fishing industry that supports coastal communities, particularly in the remoter parts of Scotland. I endorse the view-and it is our view-that we can achieve those goals only by an inclusive approach and by involving the industry. That is exemplified by the creation of the Scottish inshore fisheries advisory group.

I was somewhat surprised by Jamie McGrigor's comments—I hope that we all welcome my colleague's announcement of the introduction of a safety scheme for fishing vessels in Scotland, which will give us an opportunity to tackle that difficult problem in a way that is suited to Scotland.

Mr Salmond: If it becomes this Parliament's view that the transfer of 6,000 square miles of coastal waters is not satisfactory and that the original boundary should be restored, will that become the policy of the Executive and will the Executive seek to renegotiate the boundary with the Westminster Parliament on that basis?

Ross Finnie: If the Parliament came to such a view, the Executive would have to pay some attention to that.

Mr Salmond: Pay some attention?

Ross Finnie: Indeed. However, let us get this into perspective. The issue was raised during the debate by a number of members—Dr Ewing, Jamie McGrigor and Murray Tosh. Murray Tosh's point would not, of course, be dealt with simply by moving the boundary, because it concerned disputes. Wherever there is a boundary and different jurisdictions, it is not possible to avoid disputes.

Mr Tosh: Will the minister give way?

Ross Finnie: The argument about the 6,000 square miles would be far more convincing if someone had succeeded in demonstrating to us that a single penny had been lost by Scottish fishermen as a result of the measure.

Des McNulty (Clydebank and Milngavie) (Lab): On a point of order, Presiding Officer. I am sure that what the minister is saying is extremely interesting, but I am having severe difficulty hearing him. Could you invite him to stand closer to the microphone?

The Deputy Presiding Officer: Thank you, Mr McNulty. The minister should do that.

Ross Finnie: That is more a point of position than a point of order, but I shall take Mr McNulty's suggestion on board.

In his opening remarks, Richard Lochhead mentioned the alleged dispute between UK ministers and Scottish ministers at the last Fisheries Council meeting. That is simply not the case. The UK minister abstained on one small issue relating to FIFG administration. No other points were disputed and John Home Robertson was quite right to say that he regarded that settlement as entirely satisfactory.

The point about the Scottish minister being the lead minister has also been raised. I can understand why the Scottish National party would prefer—independence or not—that the Scottish minister should always lead.

Richard Lochhead: Will the minister give way?

Ross Finnie: No, I will finish this point.

To take that view is to misunderstand completely the way in which the devolved settlement operates. We are now in a position in which there must be consensus at UK level as to how we operate. I can assure Richard Lochhead that on the question of fisheries, where the pre-eminent position of Scottish fisheries is well known, Scotland's position in arguing what the UK line should be is a strong one.

Richard Lochhead: Does the minister accept that it is not only the SNP's opinion that the Scottish fisheries minister should have lead

responsibility for the whole of the UK in European negotiations, but the view of the industry?

Ross Finnie: I can assure Mr Lochhead that the views of Scottish ministers are taken on board in promoting the interests of Scotland. He also asked whether we would invoke our Hague preference rights if it was in the best interests of Scotland, and I can confirm that we would undoubtedly do so.

Mr Lochhead asked about reform of the common fisheries policy. The Executive was rather disappointed to learn that the Commission's current view is that the comprehensive review that we had hoped for might not take place, and it is a matter of regret that we do not foresee it happening. Nevertheless, we support the retention of six and 12-mile limits, and the question of relative stability is key to that. We want to feed in the views of the Scottish industry on the issues that many members have raised—regionalisation of the CFP, quota stability and the retention of the Shetland box.

Jamie McGrigor mentioned amnesic shellfish poisoning. His call for a different form of testing is one that Alasdair Morgan raised again in his remarks. At present, testing is being conducted according to the terms of council directive 97/61/EC, and we think that that is proper. If clear scientific evidence were produced that that was wrong, my department would be keen to consider it.

Mr McGrigor: Does the minister agree that, as the test result takes 14 days to produce, there is a period during which people will be at great risk? However, if the end product were tested, we would know that the thing that was going into the food chain was safe.

Ross Finnie: Mr McGrigor advances that opinion, but it is a matter that ought to be debated with the Minister for Health and Community Care, as food safety is her responsibility.

Duncan Hamilton and Jamie McGrigor both mentioned compensation. Many people in the industry have been able to avail themselves of alternative fisheries. I accept that a small number of fishermen have been unable to do that, and John Home Robertson is therefore examining the situation again.

I shall address some of the other questions that were raised. I note Jamie McGrigor's points about safety.

Mr Hamilton: Will the minister give way?

Ross Finnie: No.

I share Alex Salmond's view about the Tories' rather quaint notion that devolution has nothing to do with the powers of this Parliament and

everything to do with the distribution of English ministries throughout the United Kingdom. That is not devolution as anyone else in the chamber understands it.

Duncan Hamilton made a point about monkfish. I must say to him directly that we cannot just make fish appear. If the International Council for the Exploration of the Sea report is telling us that the stocks are so depleted that we should take action, I hope that he is not suggesting that that scientific evidence should be ignored. That would not be desirable.

Euan Robson made valuable points about our ability to increase the nephrops stock. That will be pursued.

I will take up Murray Tosh's second point, on the issue of using square mesh. We have been able to get the European Union to do more in relation to the UK haddock stock—not just the Scottish stock—because we persuaded our UK colleagues and the UK industry that it should be a UK approach. That approach persuaded the European Union to reconsider the haddock quota that will be made available to us.

Mr Tosh: The point that follows on from that also follows on from what Mr Home Robertson said at the Rural Affairs Committee on 2 November, when he acknowledged the likelihood-one statutory instrument already exists-that there will be a series of regulations that will affect the Berwickshire bank on only one side of the boundary line. Does it not make sense for the entire Berwickshire bank to be covered by one set of regulations, across every area of the industry? Would it not be sensible for that boundary to be redrawn, so that the whole Berwickshire bank comes under one set of conservation gear regulations and other regulations?

Mr Hamish Morrison made that point at the committee.

Ross Finnie: In this instance, we have done exactly what Mr Tosh asked, and have secured an agreement on haddock, which will not give rise to such a problem.

I believe that we are clear that this is a most important industry. We are clear that Mr John Home Robertson will represent Scotland's interests in this important matter. At the forthcoming Fisheries Council, he will have one objective and one objective only, to obtain the best possible settlement for the Scottish fishing industry and its future.

The Presiding Officer (Sir David Steel): That concludes the debate. There are no Parliamentary Bureau motions to be considered.

Sea Fishing Grants (Charges) Bill

Motion moved,

That the Parliament accepts the need to establish the validity of charges levied by the Sea Fish Industry Authority and the Herring Industry Board as set out in the Sea Fishing Grants (Charges) Bill and agrees that the Bill should be considered by the UK Parliament.—[*Mr Home Robertson*.]

Decision Time

17:02

The Presiding Officer (Sir David Steel): We come to decision time. I must put four questions as a result of today's business.

The first question is, that amendment S1M-358.1, in the name of Mr Alex Salmond, seeking to amend motion S1M-358, in the name of Mr John Home Robertson, on sea fisheries, 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) Canavan, Dennis (Falkirk West) Crawford, Bruce (Mid Scotland and Fife) (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) 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) Marwick, Tricia (Mid Scotland and Fife) (SNP) Matheson, Michael (Central Scotland) (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) 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) Ullrich, Kay (West of Scotland) (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) 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) Douglas-Hamilton, Lord James (Lothians) (Con)

Eadie, Helen (Dunfermline East) (Lab) 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) Gillon, Karen (Clydesdale) (Lab) Goldie, Miss Annabel (West of Scotland) (Con) Gorrie, Donald (Central Scotland) (LD) Grant, Rhoda (Highlands and Islands) (Lab) Harding, Mr Keith (Mid Scotland and Fife) (Con) Home Robertson, Mr John (East Lothian) (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, Nick (Mid Scotland and Fife) (Con) Johnstone, Alex (North-East Scotland) (Con) Kerr, Mr Andy (East Kilbride) (Lab) Lamont, Johann (Glasgow Pollok) (Lab) Livingstone, Marilyn (Kirkcaldy) (Lab) Lyon, George (Argyll and Bute) (LD) Macdonald, Lewis (Aberdeen Central) (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) 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) Munro, Mr John (Ross, Skye and Inverness West) (LD) 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) Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (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)

The Presiding Officer: The result of the division is: For 32, Against 81, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S1M-358.2, in the name of Mr Jamie McGrigor, which seeks to amend motion S1M-358, in the name of Mr John Home Robertson, 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) 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, 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) 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) Crawford, Bruce (Mid Scotland and Fife) (SNP) Cunningham, Roseanna (Perth) (SNP) Curran, Ms Margaret (Glasgow Baillieston) (Lab) Eadie, Helen (Dunfermline East) (Lab) Elder, Dorothy-Grace (Glasgow) (SNP) Ewing, Dr Winnie (Highlands and Islands) (SNP) Ewing, Fergus (Inverness East, Nairn and Lochaber) (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) Gorrie, Donald (Central Scotland) (LD) Grahame, Christine (South of Scotland) (SNP) Grant, Rhoda (Highlands and Islands) (Lab) Hamilton, Mr Duncan (Highlands and Islands) (SNP) Home Robertson, Mr John (East Lothian) (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) Livingstone, Marilyn (Kirkcaldy) (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) MacLean, Kate (Dundee West) (Lab) Macmillan, Maureen (Highlands and Islands) (Lab) Martin, Paul (Glasgow Springburn) (Lab) Marwick, Tricia (Mid Scotland and Fife) (SNP) Matheson, Michael (Central Scotland) (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) McNeill, Pauline (Glasgow Kelvin) (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) Munro, Mr John (Ross, Skye and Inverness West) (LD) 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) 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) Smith, Elaine (Coatbridge and Chryston) (Lab) Smith, Iain (North-East Fife) (LD) Smith, Margaret (Edinburgh West) (LD) Stephen, Nicol (Aberdeen South) (LD) Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)Sturgeon, Nicola (Glasgow) (SNP) Swinney, Mr John (North Tayside) (SNP) Thomson, Elaine (Aberdeen North) (Lab) Ullrich, Kay (West of Scotland) (SNP) 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)

The Presiding Officer: The result of the division is: For 18, Against 96, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The third question is, that motion S1M-358, in the name of Mr John Home Robertson, on sea fisheries, be agreed to.

Motion agreed to.

That the Parliament calls upon the Scottish Executive to seek the best possible outcome for Scottish fishermen, consistent with sustainable fishing, from the forthcoming negotiations leading up to the December Fisheries Council.

The Presiding Officer: The fourth question is, that motion S1M-344, in the name of Mr John Home Robertson, on the Sea Fishing Grants (Charges) Bill, be agreed to.

Motion agreed to.

That the Parliament accepts the need to establish the validity of charges levied by the Sea Fish Industry Authority and the Herring Industry Board as set out in the Sea Fishing Grants (Charges) Bill and agrees that the Bill should be considered by the UK Parliament.

Hawick

The Presiding Officer (Sir David Steel): We now move to members' business, which is motion S1M-319, in the name of Mr Euan Robson, on the economy of Hawick. The debate will be concluded after 30 minutes, without any question being put. Members who wish to speak should press their request buttons.

We have more than one lectern. It would be helpful if members who are going to speak have them ready—that applies to ministers as well.

Motion debated,

That the Parliament notes with concern the recently reported decline in the population of Hawick, appreciates the work already underway to develop the town and broaden the base of its economy, understands the need for further investments, commends the New Ways economic strategy for the Scottish Borders and hopes that this will lead to the creation of more opportunity to keep young people in the town and the region.

17:06

Euan Robson (Roxburgh and Berwickshire) (LD): I express my appreciation of the opportunity to address Parliament about the problems and opportunities facing Hawick, which is the largest town in my constituency. It is a particular privilege to speak before you, Sir David, as you represented Hawick and Roxburghshire with such distinction between 1964 and 1983.

Hawick is the most distant of the Scottish Borders towns from Edinburgh; in fact, it is seven miles closer to Carlisle than to the capital city. It has a proud history. To take the example of artists, Tom Scott, Anne Redpath and William Johnstone lived either in the town or nearby.

Hawick's economy has had a battering over the past 18 months with the loss of manufacturing jobs, but I want to emphasise the strong signs of recovery and the opportunities in the town.

In addition to the severe recession in agriculture, which affected the town because it supplies services and goods to farmers in the surrounding areas, Hawick suffered from the Viasystems closure because many residents commuted to the company's plants in Selkirk and Galashiels. Doubtless, Hawick will benefit from the Manpower call centre in Selkirk, and from the Signum Circuits expansion in the former Viasystems plant in Selkirk.

The notorious banana wars posed probably the biggest threat for generations to the prosperity of Hawick. Sixty per cent of all Borders textiles employment is in Hawick. Hawick's cashmere industry is a major employer and export earner. I pay tribute to all those who fought off the threat of tariffs: my colleagues, MPs Michael Moore and Archy Kirkwood; industry leaders, in particular; Scottish Borders Enterprise; and Scottish Borders Council.

I am pleased to report that cashmere order books from the USA, in particular, are now bulging; there is welcome contract work for smaller cashmere firms and overtime for some employees. That underlines the fact that textiles and knitwear is not a sunset industry—some people in Hawick fear that that view still lurks in the enterprise and lifelong learning department and in Scottish Enterprise. I think that that fear is unfounded. I welcome the work of the Scottish textiles network, which was set up by Scottish Enterprise, and the fact that, in January, Henry McLeish will chair a workshop on the industry. Nevertheless, it would be a significant boost if the minister could dispel that impression once and for all today.

Textiles and knitwear will remain important to the economy of Hawick and the Borders for many years. However, products will have to be at the quality end of the market. The skills base and the loyalty and dedication of the work force are, of course, second to none. There will always be a demand for the best in the marketplace; that is supplied by Hawick and the Borders.

I back the campaign to build up the worldwide image of the cashmere industry and the initiative to develop tourist-related trade. The Borders should be known and signposted as "Cashmere Country".

Of course, there is some nervousness in Hawick about the future of Pringle of Scotland, the sale of which by Dawson International is imminent. My parliamentary colleagues and I have impressed upon Dawson International the need to sell Pringle as a manufacturing entity rather than just to dispose of the name. We received some assurances on that point, but it is the new owners who will make the decisions. I ask the minister to back the call for the continuing manufacturing presence of Pringle in Hawick and to offer assistance as necessary to secure local production and jobs.

The base of Hawick's economy must be diversified. A start has been made with the opening of Allflex Europe (UK) Ltd in Galalaw and the establishment of Lion Speciality Foods. The new ways strategy, born out of the Borders working party's final report, "Rebuilding the Borders Economy", will deliver success in the coming months. However, I draw the minister's attention to the critical issue of funding, and I illustrate it in the context of Hawick.

The town has a real shortage of modern industrial units. Too many firms are in old buildings

that are either beyond their useful life or can be repaired only at disproportionate cost, and there are a lot of empty but unsuitable buildings. Scottish Borders Enterprise and Scottish Borders Council can help, as evidenced by the new Mainetti factory. However, addressing the market failure requires investment beyond what can be realistically expected from the private sector. The public sector will have to help.

The success of the campaign for European Union objective 2 funding and the return to the Borders of regional selective assistance removed by the Tory Government in 1982—can deliver such investment, but only with match funding; there will be no quick fix.

When the former Scottish Office minister, Brian Wilson, visited Hawick in February this year, he talked about a down payment of £1 million for the Borders. There needs to be a sustained, consistent level of funding from Scottish Enterprise to the local enterprise company. Perhaps the minister can use his influence to ask Scottish Enterprise to roll the special category funding into Scottish Borders Enterprise's base budget. Scottish Borders Council also needs resources to progress the schemes that its economic development department, in particular, has in preparation.

We won objective 2 funding because the Borders is an economy in transition; nowhere is that more true than in Hawick, which epitomises why objective 2 was so necessary.

I argue that Scottish Borders Enterprise ought to have an enhanced and consistent level of funding over the six years of the objective 2 programme, especially as the programme has a tighter timetable than that of objective 5b. I also ask the minister to remember the needs of skills retraining, emphasised in the new ways economic development strategy. Objective 3 will be annualised, and we will need to bid for funds from the central pot. I ask the minister to ensure that the Borders receives a fair share.

There is much to look forward to in Hawick. Apart from the initial disruption, the inner relief road, which will open next year, will help the town. Work planned on the A7 and A68 will improve communications, but I emphasise the need for work on the A7 south of the town, especially around Langholm, and I salute the work of the A7 action group.

Hawick will benefit from a return of the railway to the Borders. The outcome of the feasibility study on that is awaited with interest. Although it is unrealistic to believe that the line could return to the town in the short term, there is a case for its eventual return. I trust that ministers will consider not only the economic case when making investment decisions, but also issues of sustainability, environmental protection and social inclusion.

I warmly welcome the work of the Waverley line heritage centre group; the welcome host initiative is a success and has gathered much useful information, encouraging visitors to stay longer.

Hawick has underdeveloped facilities, such as the superb Wilton park—a hidden asset—and its museum. However, there is not one Hawick facility in the list of the top visitor attractions in "Scottish Borders in Figures". I know that the Scottish Borders Tourist Board has that on its agenda. The tourist information centre in Drumlanrig's Tower is helping to develop the town's tourism potential.

I am anxious that there should be confirmation of a starting date for the town's new hospital. That will give a further local boost and will demonstrate further confidence in the town's future.

The new Aldi supermarket is welcome and, now that the decision has been taken to renovate Tower Mill, I hope that work can proceed swiftly. Its state of dereliction has been a blot on the landscape for too long. There is tremendous potential, particularly on Hawick's High Street, and I hope that the heart of Hawick project will, in due course, improve the area considerably.

I have written to all cinema companies in the UK, asking that they consider reviving the cinema in the town, and will work closely with Scottish Borders Council's leisure and recreation department, who have done so much to advance the case. I also believe that the town needs another hotel, perhaps one of a chain, to encourage more overnight stays.

In the 1991 census, Hawick's population was 15,719. A study by Scottish Borders Council showed that the figure for 1998 was just over 15,000, a drop of about 4.5 per cent compared with the 3 per cent rise in the population of Scottish Borders over the same period. Behind those figures is a worrying trend. As was noted in the new ways economic development strategy for the Borders, young people are moving out of the area. The Borders has the highest proportion in Scotland of people aged over 65 and over 75.

What is happening to our young people? According to Scottish Borders Careers, the percentage of school leavers entering employment decreased from 29.4 per cent in 1987-88 to 17.3 per cent in 1997-98. However, in those 10 years, the percentage of school leavers entering higher and further education almost doubled, from 32.1 per cent to 64.4 per cent. In 1997-98, only 11 per cent of school leavers went on to higher education in the Borders, but 83.4 per cent of those who opted for further education went to facilities in the Borders.

I believe that there are two lessons to be learned from those figures. To keep more of our young people, we need to develop local higher education opportunities and I recognise the work of Heriot-Watt University in developing its campus in Galashiels. We must also develop distance learning and I want to highlight the pioneering work of Borders College, which is a contract partner in the Scottish university for industry consortium led by Napier University. The college opened a pilot learning centre in Hawick in September and is planning several more learning including facilities in Galashiels. centres. Jedburgh, Selkirk and Newcastleton.

It is also important to attract our young people back to the Borders and to see others settling and making their careers in Hawick and other Borders towns. Given the level of interest and commitment by the partnership of local agencies working with the Scottish Executive and the Scottish Parliament, the new ways strategy can deliver the thriving organisations, vibrant communities and connected places that will achieve that goal.

Finally, I extend to the minister an invitation to visit Hawick in the new year to see some of the things that I have mentioned. I hope that he will be able to accept.

The Deputy Presiding Officer (Patricia Ferguson): I ask members to keep their speeches to no more than four minutes, so that we can fit everyone in. I call Mr Murray Tosh.

17:16

Mr Murray Tosh (South of Scotland) (Con): Once Peter Peacock left, there was no one in the chamber who was a teri, and no one except me who has even lived in Hawick. I am sympathetic to today's motion and I congratulate Euan Robson on securing the debate in record time—I do not know how he did it.

I associate myself with much of what Euan Robson said in his state of the Borders message. I agree that the strategy for regenerating the Hawick economy must be a broader approach, taking in the entire Borders area and developing industry and employment in several centres.

I welcome the restoration of regional selective assistance to areas in the Borders, as well as the decision on objective 2 status. However, I also regret it, because the fact that RSA is restored to the Borders recognises the fact that, in recent years, the area has declined in comparison with other areas of Scotland—it is a reflection of its particular local difficulties. The Government has acted promptly and properly in respect of that.

I also welcome the statements made by ministers on the work that they are prepared to put

in to protect the textiles industry, in so far as that is possible, against a difficult global situation. I am sure that all parties will want to associate themselves with Mr Robson's plea that everything possible should be done to ensure that Pringle remains in Hawick. Although textiles in general might struggle, facing continuing decline, there are niche areas in the industry where quality, reputation and service are stabilising and can rebuild the markets. It is important that we do not talk down the industry and that we remember that cashmere is a Scottish product with a future.

Recently, the convener of Borders Council made comments to me about the particular weaknesses of the property market in much of the Borders and the need for purpose-built accommodation for potential incoming industry. There is an argument that more resources need to be made available to the local enterprise company. I hope that that will happen.

Mr Robson welcomed the route action plan and its consequences in terms of the improvement of the A7, although there is still work to be done. An essential part of the new ways strategy is the emphasis on infrastructure. If we are trying to encourage industry to locate in the Borders, and in Hawick in particular, and to encourage existing industry to expand, we must consider the area's transport requirements. Decisions were made in the recent strategic roads review, which, in the long run, are not acceptable, except in the context of sustained investment in a railway network that can benefit industry. We must have an Executive commitment to adequate transport links right into the central Borders, with a guarantee that Hawick will be able to integrate into that-if not immediately by railway, at least by an express bus, which will feed into a railway in an accessible location. If we cannot get the transport right, we will not get anything right.

In other areas—tourism, agriculture and textiles—the region is struggling, because of global economic circumstances and the strength of the pound. The Executive, the Government, and politicians who go around campaigning on all those issues must put all their weight behind the Borders economy, particularly in respect of the difficulties that are being experienced in Hawick, and do whatever can be done in the context in which the Scottish Executive must operate.

I am happy to support Euan Robson's motion and I congratulate him on his initiative.

17:20

Christine Grahame (South of Scotland) (SNP): Quite often it seems that Euan Robson, Ian Jenkins, Murray Tosh and I are healthy adversaries, but we all support Euan Robson's motion. All four of us know the specific difficulties that face the Borders and Hawick.

The population of Hawick is around 15,000. That represents a drop of 4,000 in 100 years, whereas the population of Peebles has increased correspondingly during that time. That reflects the fact that Peebles has reasonable transport links in the context of the Borders, at least. The demographics also show that 38 per cent of the population of Hawick is aged over 50, which reflects the falling opportunities for employment.

I shall deal first with the negative issues that have been mentioned. The economy of Hawick, like that of the rest of the Borders, remains vulnerable. A small number of employers employ a large number of people, and if one of those employers is hit, a lot of people lose their jobs. The industrial base is pretty much restricted to textiles, farming and electronics, and 2,000 jobs have been lost in electronics and textiles over the past year. Farming has specific and more hidden problems, which are just as bad.

The provost of Hawick—John Ross Scott, who is known affectionately as J R—told me that he was upbeat but concerned. Jobs and transport are the key to the resurgence of Hawick and the Borders. Those factors are interlinked and cannot be detached.

On the positive side, there are the jobs that Euan Robson has mentioned. Mainetti, which employs 35 to 40 people, predicts that its work force will rise to between 200 and 300 over the coming years. That is a good wee story. That company originally made plastic coat hangers and still does—but now makes ducting for computers and phone links. That is a step forward. Allflex provides another extraordinary story. The seeds of that company were sown in the Borders. It makes electronic plastic tags for cattle—a positive by-product of the BSE fiasco/crisis—and is seeking to develop UK-wide.

As Euan Robson rightly says, there is still a place in the Borders for the original indigenous industries, such as the cashmere industry. Aiming for the quality, high-priced end of the market is the way to go. The Borders will never compete with cheap, far eastern produce, but it does not want to. However, we must be alert, as the market is competitive. Money must be spent on design and marketing, but there is always the big plus that a product has been made in Scotland, in the Borders textile industry. That is something that money cannot buy.

The abattoir at Hawick has not been mentioned. A Northern Irish company bought it four years ago, simply to close it down. There is an on-going feasibility study into meat processing in the Borders. If we can get that going, we can perhaps build up lamb processing in the Borders and reopen the Hawick abattoir.

Euan Robson: And cattle processing.

Christine Grahame: I beg your pardon, we can build up cattle processing and pig processing as well.

Communications and transport are obviously the key to everything. The A7-as far as I know-has only two crawler lanes: one is at Middleton Moor, near Midlothian, and the other is near Langholm, in Dumfriesshire. Two sections have been under review—Auchinrivock at Langholm, and Glenmarie at Galashiels-to increase safety in those areas, but nothing has happened. That would be my Bplan. My A-plan is also the A-plan of the all-party Campaign for Borders Rail-the key is rail, which would give heart and spirit to the Borders people. As lan Jenkins has said before, a connecting-up of the Borders is essential for freight, for passengers, for entrepreneurs who come with their families to live in the Borders, for young people who return and for tourists. It will also put the Borders on the map.

Imagine if the Scottish Parliament could reopen the railway line through the Borders—perhaps in stages, although I am not prepared to concede that point just now. The reopening of that line would be international news and would create a direct route to Europe, providing a vital connection for the Borders. That is the key to solving the problems in Hawick and the Borders.

17:26

lan Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): I do not know whether there is much left to say. I hope that the minister notes the unanimity on all sides today. There is no point in my repeating what has already been said. I have with me a speech that would have told David Steel all about Galashiels and Hawick, but I will not bother with it.

I am delighted that we are having this debate and that the speeches have covered the ground so thoroughly. I feel that we must strike a positive note. I do not like talking the Borders down as I believe that there is hope for development there, given the investment that we have talked about and the spirit of the Borders people. However, after the bump that the area has had recently, the Government needs to help us to get started again.

Many ministers have visited the Borders since the establishment of the Scottish Parliament. All of them must have been impressed by the will of the people to get up, get going and do things for themselves. Scottish Borders Enterprise, the Scottish Borders Council—both focused and working in partnership—MSPs of all parties and all the other agencies are backing them.

Education, skills and training are vital and can be encouraged without fantastic amounts of money being spent. When employers come to the area, we need to be able to promise that their work force can be trained. The Borders work force is super and has never let anyone down—not Viasystems, not Pringle and not Dawson International. It is skilful and hard working, but it needs somewhere to exercise its talents.

School leavers must be able to stay in the Borders while obtaining the skills that they need. I agree with Christine Grahame that the rail infrastructure is vital, as are roads. Whatever happens, lines of communication in the area must be made better. The Executive has an opportunity to do that. The A7 is a dangerous road and must be improved.

We need to encourage small businesses instead of expecting big factories to be set up. It would be better if we could diversify the economy.

We need to sell the Borders. It is a wonderful place—the work force, the quality of life, the scenery and the schools are all great. The Borders is an attractive place for businesses to come to and that fact should be better publicised. The whole of the Borders, and Hawick especially, would benefit from that.

17:30

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): Right at the start of this debate, Sir David Steel encouraged me to get a lectern in front of me—he obviously regarded this issue and this area as very important. In a sense, I am glad that he is no longer in the chair because, with his expertise, he would doubtless have scrutinised every one of my remarks.

I thank Euan Robson for taking the initiative and securing today's debate on an issue that affects one of the key towns in the Borders. The statistics that have been quoted, indicating a fall in population of 4.4 per cent between 1991 and 1998, are worrying, especially because they suggest a flow away from the area of younger people—from the Borders in general and from Hawick in particular.

Although complex, the economic reasons for that fall are clear. There have been changes in the international textile industry, the results of which sadly—we see too often in Scotland. They have hit Hawick especially hard.

It is important to press on with the diversification of the local economy, but it is also important to remember that niche sectors of the textile industry remain strong and vibrant and still have an important role to play. We should focus on that, especially at a time when there have been additional problems in agriculture and in the electronics industry—another sector that should have a significant future in the Borders.

I respond to Euan Robson's invitation by saying that I would be delighted to visit Hawick and other parts of the Borders as soon as possible in the new year to look at the problems and to address them more directly.

Right at the outset, I would like to knock on the head any suggestion that the Executive regards the knitwear and cashmere industry as anything other than a sector with a bright, buoyant and long-term future in Scotland. We are well aware of the great successes of cashmere—especially in north America. That has resulted from the work of the local MPs, of ministers, of the local council and of the local enterprise company—and especially from the work of the industry itself—to overcome the problems of the banana war.

The knitwear and cashmere industry is a huge contributor to the success of the Borders economy: 45 per cent of its products are exported directly, and a further 25 per cent go overseas through sales to tourists. We are following up on that success through initiatives such as the "Cashmere made in Scotland" promotion, in which 14 out of the 21 companies involved are based in Hawick. For three of those Hawick companies, an international marketing effort has-to give two examples-yielded sales to Korea of £692,000 and raised the profile of the cashmere industry during London fashion week. A lot more could still be done, but the focus on cashmere and the growing niche sectors of the textile industry is very important.

I was asked to comment on Pringle. I share the view-expressed, I think, by all members-that the buyers of Pringle should keep production in Hawick. I know the anger and distress that was caused in Aberdeen when the Crombie brand name was moved and the manufacturing disappeared. However, I understand that Dawson International is progressing well with its sale and expects to announce a successful bidder soon. Scottish Borders Enterprise stands ready to contact the new owner as soon as an announcement is made. It has already asked Dawson International to pass on its offer of support to potential buyers and to pass on information on redevelopment opportunities at Galalaw, which is included in the proposed assisted area map that the European Commission is considering.

Euan Robson and other members paid tribute to the work that is being done to broaden Hawick's economic base. The new ways strategy, which was launched in March this year, sets the framework for diversifying the Borders economy. I pay tribute to the partnership that has been created in the Borders. When Henry McLeish and I met representatives of the Borders economic development forum, we had described to us a new and markedly different atmosphere of partnership and new momentum in the area. I know that the people of Hawick are already sharing some of the benefits of that through the launch of the Hawick initiative, which gives a particular priority to the Hawick area.

There have been successes in Hawick, some of which have been mentioned. Three new, relatively small but innovative companies have created 40 highly skilled jobs—at Allflex Europe (UK), Lion Speciality Foods and Choices residential care. The Hawick "Welcome" initiative gets people into the shops of Hawick, with nine hosts employed to promote a welcoming and visitor-friendly image of the town. That is the sort of sparky, new, innovative initiative of which we want more. The return of assisted area status will help to underpin those successes, as will the objective 2 programme.

Scottish Borders Enterprise's budget has been increased by more than £3 million in the past few years and steps forward have been taken in relation to infrastructure. For example, work will begin soon on the A7 traffic relief scheme, which will divert traffic away from Hawick town centre and make the town more attractive for industry, for tourists and for locals. That is a good example of the sort of partnership that we are looking for, with Scottish Borders Council and the Scottish Executive sharing costs on a 40:60 basis.

As members know, the Borders rail study has reached the final draft stage. It has been circulated to key stakeholders for comment and we expect to make an announcement soon on the timing of the publication of the final report. The study includes a comprehensive investigation of options and a statement of their costs and benefits, but it would be premature to go further at this stage.

Members expressed concern about the Tower Mill; I know that there is a long-standing issue about better use of that listed building. The consultants' report on options for redevelopment is now with Scottish Borders Council and Scottish Borders Enterprise for consideration, and I hope that a positive decision about the building will be taken soon.

It is vital that we address the issues of learning, the knowledge economy, training and skills to avoid the drain of young people from the area. The Borders learning partnership was launched recently and will help to bring new opportunities for training and further and higher education to people in the Borders. The initiative builds on Heriot-Watt University's presence in the Borders—including its outreach centre in Hawick and at the Borders College—and the presence of Napier University and other training providers that already operate in the area. More can be done and I hope that, when I visit the area, I can look at the local further education and other training and skills initiatives as well as examine industry and commerce.

I thank all members for their heartfelt comments. Euan Robson will wish us to visit the area on many more occasions, but I hope that the commitment already shown by ministers emphasises our awareness of the issues and our desire to help the area to achieve more.

We need to build on the new momentum that I spoke about and to turn recent small-scale but important successes into bigger boosts for the local economy. That will enable Hawick to enjoy a growing population, a growing number of jobs and a growing confidence, which are seen elsewhere in the Borders and in many other parts of Scotland.

The Deputy Presiding Officer: Thank you, minister. I thank Mr Robson and the other members present for this debate.

Meeting closed at 17:39.

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