

MEETING OF THE PARLIAMENT

Wednesday 8 March 2000
(*Afternoon*)

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Scottish Parliament

Wednesday 8 March 2000

(Afternoon)

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

The Presiding Officer (Sir David Steel): We welcome to lead our time for reflection this afternoon Nigel Bruce of the Humanist Society of Scotland.

Time for Reflection

Nigel Bruce (Humanist Society of Scotland): Thank you for inviting a representative of the Humanist Society of Scotland to share some reflections.

Today is International Women's Day. Perhaps it is easier for me, as a man, to say that the social empowerment of women worldwide will be a huge step forward in the march of our civilisation. Humanists in Scotland owe a particular debt to the late Mrs Margaret Knight of the University of Aberdeen, who, in 1955, was the first person to be allowed to talk about secular humanism on the BBC. The title of her series was "Morals without Religion", and that is the theme of this brief message.

It is a mistake to confuse ethics with religion. Secular humanists urge all the institutions of the state, and especially our educational institutions, to recognise openly that there is no necessary link between being good and being religious. The following quotation from the educationist R S Peters expands on that thought:

"It is often suggested that the only alternatives open to us are either the relics of some traditional code or some version of a subjectivist stance such as Existentialism or a 'situational ethic'. But these, surely are not the only alternatives open. There is a middle way, which is closely connected with the use of reason. This enables people to adopt a critical attitude toward what has been established.

A rational morality cannot, however, be characterised purely in terms of the ability to reason, in the sense of making inferences. It must be supported by a group of rational passions connected with the demands for consistency, order, clarity and relevance; and in the sphere of interpersonal relations, by a capacity to look at rules and practices from other people's point of view and with a concern for their interests. In other words I am adopting a position in morals similar to that of David Hume, who argued for some kind of shared response amongst human beings, connected with sympathy, which he at times called 'the sentiment of humanity'."

The splendid monument to David Hume in the High Street in Edinburgh, which was created by Alexander Stoddart and erected by the Saltire

Society, shows him in classical garb holding a tablet of stone on which there is no writing. It symbolises the challenge to us to create standards and policies that are appropriate to our period of civilisation.

Finally, we offer for reflection some thoughts from the great humanist philosopher, Bertrand Russell, which he gave at the close of his autobiography:

"I have lived in the pursuit of a vision, both personal and social, Personal: to care for what is noble, for what is beautiful, for what is gentle and to allow moments of insight to give wisdom at more mundane times. Social: to see in imagination the society that is to be created, where individuals grow freely, and where hate and greed and envy die because there is nothing to nourish them. These things I believe, and the world, for all its horrors, has left me unshaken."

Members of the Scottish Parliament, may your deliberations be fruitful and your decisions wise. Thank you for having laid the foundations for a Scotland that will be fit for the future.

Water Charges

The Presiding Officer (Sir David Steel): This afternoon's first debate is on motion S1M-639 in the name of Bruce Crawford, on water charges.

14:37

Richard Lochhead (North-East Scotland) (SNP): Earlier this week, John Reid—that increasingly irrelevant politician—issued a statement that called on Labour party members to stop fighting one another and to start talking about what Labour is delivering in Scotland. The SNP has no control over the internal problems of the Labour party, but we think that it is a good idea to talk about what Labour is delivering in Scotland. In a couple of weeks, Labour will deliver astronomical water bills and council tax bills to households in Scotland—the SNP is delighted to be talking about that.

I welcome the opportunity to debate in Parliament the water industry. Parliament has been up and running for nearly 10 months, yet this is the first time that the water industry has been on the agenda for proper debate. That says a lot about the Executive's priorities.

The Minister for Transport and the Environment (Sarah Boyack): I have a point of information for the member. In January, there was a ministerial statement on water; members had the opportunity to ask questions on that. It is not true that the matter has not been on the agenda.

Richard Lochhead: I do not find that comment particularly helpful—we have had ministerial statements and many parliamentary questions, but this is the first time that we have had a proper debate.

The water industry is of enormous significance to the people of Scotland. The industry has a turnover of £600 million per year, it employs 6,000 people and it is worth between £12 billion and £16 billion. The industry is responsible for delivering clean, safe drinking water and for the efficient, environmentally friendly removal of waste throughout the country. However, because of decades of mismanagement and neglect under successive Tory and Labour Administrations—at both national and local level—the industry faces huge challenges. There is a desperate need for the renewal of the industry's infrastructure if it is to continue to deliver a proper service throughout the century.

The Executive has failed to rise to the challenge; it has passed the buck to the consumers in the form of a tap tax. Scotland is turning into a nation of ironies. Scotland has lots of oil and gas, but we

charge the highest prices for petrol at the petrol pump. Scotland is the home of whisky, yet one can buy whisky more cheaply abroad. Scotland has an abundance of water resources, yet we are subject to water charges such as those that have been announced today.

In East of Scotland, there will be a 22 per cent increase in water charges and in the west the increase will be 18 per cent. In North of Scotland, there will be a 42 per cent increase across the board and in Tayside the increase will be a staggering 46 per cent. Since Labour came to power, charges in the area that is covered by the North of Scotland Water Authority will have increased by 114 per cent. Charges have risen by 85 per cent in the East of Scotland Water area and by 88 per cent in the West of Scotland Water area. In the Forth valley, charges have increased by 181 per cent. Those increases are before next year's announced increases come into play.

The message from the Scottish Executive—particularly to people in the NOSWA area—is “Tough luck.” Apart from the matter of water bills, there is the potential 10 per cent increase in council tax that was announced this week, and the high fuel tax throughout the north-east and north of Scotland.

The SNP could not agree more with the Executive's statement that the twin challenges are to meet the aspirations of the Scottish people for high environmental standards and drinking water quality, and to do so at the minimum cost to the customer. The Executive, however, does not want to do that at the minimum cost to the customer, but at the minimum cost to the Government. The policy is like taking out a mortgage for capital works over 30 years, but making consumers pay the bulk of the repayments over the next two years. That is not what we would do with our own houses, and it is not what the Executive should be doing with Scotland's water industry.

The purpose of government is to deliver essential public services, but who would have thought that new Labour, which used to call itself the people's party, would leave consumers struggling to pay for an essential service—the supply of water?

The Government seems to be more interested in supporting the millennium dome than the water industry in Scotland. The Scottish Executive is not spending one penny of its own money on Scotland's infrastructure and no measures are in place to ease the burden on consumers—since the end of transitional relief, there has been nothing.

The Executive is making a mess of Scotland's water industry. Under Labour, water consumers have been taken for a ride, and all sorts of folk are

making money out of Scotland's water. Private companies are making a packet through the private finance initiative. In one project, £6 million was spent on procurement costs and preparations—that is ridiculous. Cash is being transferred from the pockets of consumers directly to the pockets of the shareholders in private companies that have been brought in to run Scotland's water industry.

The PFI policy for the water industry is in tatters. In September 1999 I asked the Minister for Transport and the Environment a written question. I asked whether she would examine the

"implications of PFI on the water industry and the implications . . . for charges for water and sewerage customers."

The minister responded that she would

"reply to the member as soon as possible."

Five or six months later, I am still waiting for a reply, because the minister is terrified of the answer.

This week, I learned from the water authorities that they do not want any more PFI—they have been through that experience and do not want to go through it again. They are examining ideas such as the Dutch water bank to raise cheap finance and to avoid the involvement of the private sector. Members know that the water authorities asked to have their own bond issued a few years ago, but were turned down flatly by the previous Administration.

The water industry is ideal for low-cost investment that can be secured against a definite income stream of water rates. That is why PFI is so inappropriate for the water industry. It is not just PFI providers who benefit—it is also the fat cats at the top of the tree in the water authorities. The posts of chief executive are being readvertised. The salary for those posts has been increased by about 30 per cent—to about £120,000 per year—and there is a 10 per cent bonus. Is that really where consumers want their bill payments to go?

Consumers' bills are being used to feed the quango culture in Scotland. There is another broken promise: new Labour forgot to throw the water boards on the bonfire of the quangos. Now, people such as Colin Rennie, chairman of NOSWA, is getting £36,000 of consumers' money for a one-and-a-half-day-a-week job. He had the cheek to tell water consumers that the increase in the north of Scotland is equivalent merely to the price of a packet of crisps a day. It is, I suppose, possible for him to say that comfortably, earning—as he does—a salary of £25,000 plus lots of bonuses.

The Minister for Transport and the Environment could be doing a lot to keep water bills down. She

could write off debt. Will the minister accept that we are in the current mess because of the Tory Government's failure to write off debt at the time of reorganisation of the water authorities in 1996? That Government wrote off only 40 per cent of the debt. Will she also accept that the mess is a result of Labour's decision not to increase the percentage of debt that was written off when it reviewed the water industry in 1997?

Mr Murray Tosh (South of Scotland) (Con): Will Mr Lochhead tell the Parliament what he would cut to absorb the debt?

Richard Lochhead: If Mr Tosh would like to listen closely to my speech, he will find that I will cover that subject in a few seconds.

In 1989, the English water industry had 90 per cent of its debt written off by the Treasury; the Scottish water industry had only 40 per cent of its debt written off. A £1.1 billion green dowry was also injected into the English water industry.

Dr Richard Simpson (Ochil) (Lab): Answer the question.

Richard Lochhead: I now come to the external financing limits. External finance has fallen as a proportion of investment, and a greater burden is now being passed on to consumers, with less borrowing to finance new investment.

Dr Simpson *rose—*

Richard Lochhead: It would not be a debate without an intervention from Richard Simpson, so what can I do but accept one?

Dr Simpson: I would still like to hear an answer to Mr Tosh's question. How, from within the block grant, does Mr Lochhead propose to finance the debt that he would write off? I estimate the debt to be around £1 billion, which would mean that one sixteenth of our entire block grant would be used to write off that debt next year. Is that really what Mr Lochhead proposes, on top of the £2.5 million that he has spent already?

Richard Lochhead: The member should listen; I was about to address that point when he interrupted.

Over the next two years, borrowing has been limited to £435 million, which will mean that capital investment will come out of revenues. Customers are being forced to cough up the shortfall of £1.8 billion in the next two years. Why does not the Executive increase the external financing limits and allow the costs of the new infrastructure to be spread across its lifetime, rather than putting the full burden on customers for the next couple of years?

The Executive, and its colleagues in London, should come up with a cash injection for the Scottish water industry. Is not it ironic that today's

headlines in the media are about oil prices never having been higher, and how tax revenues will now flow to the London Exchequer? Why cannot Scotland get some of its own cash back, so that we can upgrade Scotland's water industry? Perhaps the minister should speak to the Chancellor of the Exchequer.

What is the Government doing to help people pay their water bills? What will it do to help pensioners, whose miserly 75p increase in pension per week has been wiped out by the rise in water charges? Massive charges have been announced today, yet the minister tells us that consultation will take place during the summer on how to help low-income families. The damage is being done now; summer will be too late. Why did not the minister think of that before? The Parliament has been up and running for 10 months—why is the minister closing the stable door after the horse has bolted?

Another threat that the minister has failed to address adequately is that posed by the Competition Act 1998. A consultation paper will be published in April, but that act has been in force since the beginning of this month and we have known about it for years. Is the minister aware that Anglian Water, Northumbrian Water, Southern Water, Thames Water and Yorkshire Water Services have opened offices in Scotland and are working here? They are here not for a picnic, but to make money out of Scotland's water industry.

Labour has abandoned water consumers in Scotland and it has abandoned the water industry. The message from the consumers is, "Stop milking us dry and go back to the drawing board. Stop hitting the people of Scotland with bill after bill to keep the Treasury in London happy." It is unreasonable and unfair to expect that customers should in the next two years pick up the whole bill for the neglect of our water industry by successive Labour and Tory Administrations. The water industry is not safe in new Labour's hands and I ask Parliament to support the SNP motion today.

I move,

That the Parliament believes that the impending rise in water charges which have been approved by the Scottish Executive is as unacceptable and damaging as the rises in the local authority council tax forced on local authorities by the Executive's inadequate local government financial settlement; notes that the Executive is failing to make any financial contribution to the maintenance of adequate standards in the water industry just as it is failing to adequately support essential local government services; calls for the increases in water charges to be kept to a minimum and for measures to be taken to avoid consumers being forced to pay the cost of past neglect of the industry including a review of external finance limits, the scrapping of the Private Finance Initiative and the cancelling of debt in the industry to avoid unnecessary and unfair increases in water bills, and condemns the apparent indifference of the Executive to the rise in water bills, the increase in council

tax and the cutting of local government services particularly with regard to their impact on the most vulnerable in society.

14:48

The Minister for Transport and the Environment (Sarah Boyack): Our amendment to the motion is an accurate reflection of what we have been doing and addresses the problems that we have in the water industry in Scotland. We have had two discussions in Parliament on the water industry. In the summer, I announced the appointment of the water industry commissioner and what we planned to do in light of the Water Industry Act 1999. I also announced in January the results of the strategic review of water charges for the period April 2000 to March 2002. We have discussed the issue in Parliament. We have had ministerial statements. I will address the specific parliamentary question that Mr Lochhead suggested had not been responded to and will get back to him as soon as possible. Mr Lochhead and his colleagues have asked a huge number of questions on the water industry. I have answered those questions and given as much information as possible.

The framework that I set out in January was based on our commissioner's advice that the authorities have to increase their revenue to meet substantial and urgent investment needs. The commissioner argued that we needed a significant acceleration of investment to renew and improve our infrastructure. I am conscious of the need for investment, but also that people—both domestic and business users—have to pay the bill. I therefore moderated the water industry commissioner's proposals, reflecting our determination still to provide the water authorities with sufficient ability to invest.

Tommy Sheridan (Glasgow) (SSP): Will the minister give way?

Sarah Boyack: Not just now.

Our aging Victorian infrastructure has suffered from decades of under-investment. The cumulative underspend is estimated at about £2.5 billion. It is not possible to ignore the consequences of that. We cannot allow our mains and sewerage systems to continue to decay, threatening more burst pipes and disruption to supply. We cannot ignore European legislation, which rightly demands higher standards in the interests of public health. The urban waste water treatment directive will require proper sewage treatment for all our towns and cities, and the drinking water directive sets tough, new, safer standards. We cannot turn our backs on the need for such investment, for higher-quality water and for improved service quality. We need to do more to clean up our beaches.

Mr Alex Salmond (Banff and Buchan) (SNP): I have asked the minister this question before, but have not received an answer. Will she confirm that a proposal from the water companies in Scotland to finance future investment through a bond issue was turned down by the Labour-run Scottish Office—yes or no?

Sarah Boyack: As I told Mr Salmond in a letter earlier this year, I can confirm that a bond issue would not have been a more appropriate way in which to proceed, because it would still have been counted as borrowing. It would not have been cheaper than the money that we, as central Government, are able to lend. I am quite clear about that.

We cannot turn our backs on the need for investment. We have heard nothing from the Scottish National party about practical suggestions that would let us invest.

Richard Lochhead: Will the minister give way?

Sarah Boyack: No, thank you.

The overall revenue increases for the Scottish water authorities in each of the next two years—15 per cent and 12 per cent for the East of Scotland Water Authority; 35 per cent and 12 per cent for the North of Scotland Water Authority; and 15 per cent and 12 per cent for the West of Scotland Water Authority—were designed to allow us to ensure that we can begin to tackle the backlog of investment. The increases total £1.8 billion over the next three years.

In the west, for example, £140 million will be spent on constructing more than 30 new waste water facilities for coastal towns and communities. In the east of Scotland, each region will benefit from major investment programmes.

Dennis Canavan (Falkirk West): Will the minister give way?

Sarah Boyack: No thank you, Dennis.

Around £87 million will be spent on waste water treatment in Fife and £72 million will be spent on the water treatment that is required in the Forth valley.

Richard Lochhead: Will the minister give way?

Sarah Boyack: No, thank you.

In the north, £12 million will be spent to provide Inverness with its first water treatment works, which means that the town will have properly treated water for the first time ever.

A good example of investment in rural areas is the fact that almost £1 million has been spent in west Gordon and Midmar on a new water supply—meeting modern-day standards—for a community of around 80 people. That works out at investment

of around £12,000 per head.

Investment will happen throughout the country. The strategic decisions have now been translated into charge schemes for the coming financial year. I understand that the schemes have been agreed and made public today.

Dennis Canavan: When water services in the Falkirk area were owned and administered by local government, good, forward-looking investment programmes were combined with the lowest water charges in the whole of Europe. Now the east of Scotland water quango is proposing average increases of 15 per cent, which is more than seven times the rate of inflation. In some cases—believe it or not—increases of more than 70 per cent are proposed. Will the minister intervene to stop such excessive increases, which are putting a crippling burden on many domestic consumers and businesses?

Sarah Boyack: I do not underestimate the need to make investment. I come back to the point that we need to meet higher standards. There are tougher European directives to meet and we must clean up our beaches.

The water authorities' average increases in domestic charges over the next year will be just under £40 a year, or around 75p a week. When I spoke to Parliament in January, I acknowledged that large increases would not be welcome to customers. I accept that. We need to examine the impact of charges on low-income households. I said then, as I say today, that I will carry out a review. It would not have been possible to carry out a review before today's announcement in time to affect the charges for this year.

Richard Lochhead: Will the minister give way?

Sarah Boyack: No, thank you.

It is important to know that the current arrangements link to council tax bands, so there is a link to the less well-off, with substantial assistance for people on lower incomes.

Tommy Sheridan: As the Minister for Transport and the Environment in Scotland, can Sarah Boyack tell Parliament how many people in Scotland have arrears on water charges and how many more she expects to be in arrears as a result of the increases?

Sarah Boyack: That is one of the things that needs to be reviewed so that we can ensure that we can tackle the issue.

It is important to state that the average charge increase for band A householders will be only two thirds of the band D increase, which means an average of 60p a week for band A householders.

One of the key things in Scotland is that people cannot be cut off.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Will the minister give way?

Sarah Boyack: No. I have already taken interventions.

The significant charge increases make it even more important for the water authorities to give their customers value for money. How they respond to that challenge is crucial for the long-term health of the industry. That is why I endorsed the water industry commissioner's two proposals, first, on clear benchmarking to allow us to compare Scottish authorities with the best in the United Kingdom; and secondly, to ensure that higher customer standards are available throughout Scotland.

Richard Lochhead: Will the minister give way?

Sarah Boyack: No, thank you.

Our standards will focus on issues that are genuinely important to customers, such as better response times and reducing the number of disruptions to service. We can match the best in Europe. Our authorities will have to provide better quality services; as I announced in January, we will initiate a consultation on that in April.

We demand the highest standards of customer service and efficiency from our public water industry and we are determined that that is what customers will get. Mr Lochhead alleged that the charge increases will be unfair to rural areas, particularly in the north, and that we have not done anything to tackle that issue. That is not true. The legislation requires "no undue discrimination" between customers. We know that it costs more to provide healthy drinking water and acceptable waste treatment facilities in sparsely populated areas. It is unacceptable that 65 per cent of sewage in the north pours untreated into rivers and the sea. Does the SNP really think that that can continue, or is it adding another public spending commitment to its growing list?

Richard Lochhead: Will the minister give way?

Sarah Boyack: No, I am running out of time.

The Scottish Executive has taken a responsible approach, ensuring a firm footing for the water industry rather than pretending that there is an easy way out. We have increased opportunities for external finance—an increase of 50 per cent over the next two years for NOSWA and an extra £20 million in external financing for the water authorities in this year's budget. To go further would push debt to an intolerable level.

The main point is that investment is needed and it must be paid for. We are making sure that, with a regulatory regime, the investment will give value for money. We are taking the hard decisions that will put the industry on a firm basis, as a properly

funded, successful and, above all, public water industry with high-quality services for customers. That is what people want and need—we cannot compromise on drinking water quality or environmental protection. We must invest, and this is the way forward.

I move amendment S1M-639.1, to leave out from "believes" to end and insert:

"recognises that the Scottish public water authorities need to make very significant investments to deliver the high quality, safe and reliable water and sewerage service that the Scottish public and Scottish business need; recognises also that Scotland must meet the standards to protect health and the environment laid down in European and national legislation; welcomes the additional external finance made available by the Scottish Executive for the water authorities in the recent spending round; notes that the current system already provides a degree of protection for the most vulnerable through the link to council tax banding; welcomes the review of these arrangements that has been announced; welcomes the Water Industry Commissioner's initiatives to increase efficiency, customer service and accountability in the water industry; and therefore endorses the strategic framework for the industry set out by the Scottish Executive in January."

14:57

Mr Murray Tosh (South of Scotland) (Con): In moving my amendment, I welcome the opportunity to debate water for the first time in this Parliament. As the motion covers local government as well, I hope that we might have the opportunity to debate some of the horrendous expenditure cuts that councils will be making this week, not least by South Ayrshire Council in a couple of days.

The central truth about our water industry is that there is a great need to invest heavily to meet the standards laid down in European Union directives, to which all parties in the Parliament are contributors in the sense that we have all agreed them. When local government reorganisation took place, it was decided to retain the industry in public ownership; the inevitable consequence is that external financing limits or borrowing consents apply. There is only so much that can be afforded and funded through borrowing consents and the public sector expenditure categories.

I find the Scottish National party motion somewhat cynical in its use of the phrase:

"review of external finance limits".

Does that mean to cancel them or to do without them—unlimited borrowing? How would the SNP fund the industry? What would it cut from the Scottish block massively to increase capital expenditure? Would the SNP take that from education or health expenditure? What money would it use?

I suspect that the money which the SNP would use to cancel the water debt and to fund the

increased borrowing consents is the same money that it was going to use a fortnight ago to build our motorways, which is the same money that a fortnight earlier it was going to invest in railways. Or perhaps it is the same money that a fortnight before the SNP was going to spend on increasing pensions.

How many more times can the money be recycled? It is like the drinking water in London—it goes through the system time and again.

Fergus Ewing: Remind me not to accept a glass of water from you.

Are the Conservatives happy with the rises that are proposed by the Liberal-Labour Government? If so, could the member say which budgets were cut to provide the £1 billion injection into the English water industry at the time of privatisation and the £4.4 billion debt write-off that was made?

Mr Tosh: I am not here to argue the case for water privatisation. Nor am I here to deal with what happened some years ago because, frankly, I am not equipped to deal with it.

This Parliament has a block grant, and it has legislative and executive responsibilities. The issue for this Parliament is how we will discharge those responsibilities. It is very neat to come here and say, "Write off debt," and all the rest of it. The SNP is not keen on privatisation, so I am surprised that it is taking that line this afternoon. Where will the money be taken from? What money would the SNP use to write off the debt? What would the SNP cancel and cut?

In this Parliament, we have the economics of the kindergarten. Every week, the SNP brings forward a magic porridge pot, from which it extracts all its resources. The story of the magic porridge pot was that, eventually, the people who summoned up all the porridge drowned. I suspect that the SNP will drown in a welter of unfulfillable promises in the near future.

Richard Lochhead: Will the member give way?

Mr Tosh: No, because I want to pick up something else from the

"review of external finance limits".

The SNP says, "We will have that review, and at the same time we will cancel the private finance initiatives." Is not that wonderful? I hope that everybody in Ayr, Prestwick and Troon, whose towns have been dug up for the past two years, will notice that the SNP is proposing the cancellation of the sewage treatment works at Meadowhead—or perhaps the SNP will fund that £50 million from some other back pocket.

Richard Lochhead: The member needs a glass of water.

Given that the member has spent the first four minutes of his speech attacking the SNP, how does he propose to keep water charges down, the high level of which he has also attacked?

Mr Tosh: The funny thing is that I have also been speaking to people in the water industry. Perhaps they say different things to people from different political parties, but they have told me that in the past two or three years the game has moved on hugely. They are worried by the implications of the Competition Act 1998. There is a deficiency in the Executive's approach. Its motion does not reflect the changing nature—

Michael Russell (South of Scotland) (SNP): What is the answer?

Mr Tosh: I am giving the answer, so sit still, shut up and listen.

The water boards tell me that essentially, they require access to capital investment, and they know that that has to come from private sources. They want a change in their structures, remits and powers, to allow them to enter into partnerships with private investors that will fund investment. There is no other way to do that, because the SNP is tied by external financing limits, and we are all tied by the Scottish block. We need to equip our water industry to compete in a new and much more threatening environment than it has been even in the past two or three years, and to face the threat of competition from the privatised companies—the big water boys south of the border—because that competition is just round the corner.

Tommy Sheridan: You should know—you privatise them in the first place.

Mr Tosh: Indeed. The purpose is to generate additional investment. We need that investment. We cannot sit here and talk about the water and sewerage provision that we were happy with in the early 1970s, when the old Labour politicians learned their slogans and gut instincts. The world is moving on, and we need massive sums of money. Those sums have to come from investment, and have to be raised through our public sector water boards, which want the power, the freedom and the scope—[*Interruption.*]

Tommy Sheridan rose—

Mr Tosh: My time is up. I am being told that I have to stop.

The Deputy Presiding Officer (Mr George Reid): You have one minute, Mr Tosh.

Mr Tosh: The water boards require private capital to invest, and if they cannot invest, targets will be missed and our consumers will face higher bills in future. We condemn the water charges and the inactivity of the Executive. We deplore the fact

that so much capital expenditure is loaded on to current expenditure; we must find proper ways to bring in more money for investment. The idea that somehow it can all be solved by a wee wave of the wand and by abolishing finance limits is wishful thinking. It is nonsense. It is the typical SNP parade of jam, jam, jam and loads of money, but the SNP does not have to provide the funding. It is irresponsible nonsense.

I move amendment S1M-639.2, to delete from "believes" to end and insert:

"notes with concern the increasing cost of funding capital expenditure on water and sewerage from annual water charges; calls for a review of the structure and powers of Scotland's water authorities, with a view to funding programmed capital expenditure from capital sources, and condemns the Executive for this year's increase in water bills and council tax levels and the deep cuts forced on council services by the reduction in resources for local government from levels available under the previous Conservative Government."

15:05

Tavish Scott (Shetland) (LD): Murray Tosh has obviously had too much Ayrshire air in the past few days. He certainly needs a bit of air-conditioning now.

As Mr Lochhead's only solution was to look to Westminster for sources of finance, it appears that he missed the launch of the Scottish National party's flagship policy today, which apparently ditches Westminster for ever, saying that it is totally irrelevant. That rather drove a coach and horses through his argument.

Neither Mr Lochhead nor Murray Tosh had an answer to the question, "What would you do?" In a debate that reflects the concerns of all of us about water charges—everyone has had representations on the matter—it is the responsibility of those who are speaking from the front benches to come up with some clear ideas about how they would deal with the issue. I do not have a problem with any party criticising what the Executive is doing, as long as it has a reasoned way of doing it better. We have not heard that from either of the Opposition parties.

Mr Tosh rose—

Tavish Scott: I will finish my point.

Murray Tosh glossed quickly over what happened with privatisation in the past. Some of us still remember that it was the Strathclyde water referendum that ditched attempts by the Tories to privatise water in Scotland.

In fairness to Murray Tosh and, I think, to Richard Lochhead, no one disputes the fact that a massive injection of capital investment is needed—they accepted that, but they did not say how they would do it. Consumers face massive

increases—

Mr Tosh: I am sorry, but I was very clear. I said that the bulk of the capital expenditure being met at the moment from current annual charges needs to be moved into proper capital expenditure, for which we need to find structures and partnerships that will draw in more money. That is what the water boards want.

Tavish Scott: I apologise. I missed that in the wide—how would I describe it—contribution that the member made.

All three water companies are calling for RPI plus 7 per cent until 2012 at least. Scottish households face significant increases—the figures show that over the 12 years to 2012, water costs could increase by 150 per cent to 200 per cent. It is feared that potentially, Scottish water and sewerage charges could be the most expensive in the UK.

The Executive is right to push for progress in protecting pensioners and low-income families. We have all had representations, particularly from people in those spheres, seeking help in that area. I hope that the minister, in her summing up, can be a little clearer about what is being introduced to help people on low incomes, particularly pensioners. I have had representations at constituency surgeries from people who are concerned about the difference between what will, apparently, be given in pensions in the forthcoming budget and what they might face in increased water charges.

However, there are other options for improving the current costs. There is the potential for co-operative action among the three water boards, including, for example, joint billing services, joint service centres, joint complaints systems and savings on information technology. We should look to the water commissioner to take forward such ideas. The potential for co-operative action, in line with the spirit of the announcements by the Minister for Finance last week on local government, is important.

Fergus Ewing: Tavish Scott referred to the Water Industry Commissioner for Scotland, which costs around £1 million a year. Do the Liberal Democrats agree that there is a strong case for considering whether the role of the water commissioner is necessary and whether we should be passing on that £1 million, to reduce some of the swingeing increases that the Executive has sought to impose?

Tavish Scott: The water commissioner's role has been in place only since last November. We need to consider how that office can deal with some of the suggestions that I have just proposed. I would like to wait and see what can be done. However, Fergus Ewing has a point, in regard to

the overall cost of that particular operation.

The other matter that could be considered is the structure of the boards and whether the three boards that we have at the moment are the right way to deliver the service. Again, there must be economies of scale. To answer Fergus's point, the water commissioner should be charged with considering whether, in the context of the three boards, there is a better way to deliver the service.

There are issues of accountability—I am not sure whether we have accountability today. One cannot predicate a whole argument on local accountability—that is a dubious proposition, considering the way in which most people in Scotland currently view those structures. Options for economies of scale and improving overall service delivery must be considered.

Murray Tosh raised some important points about where the Competition Act 1998 impinges on water authorities. I hope that the minister will clarify that in summing up.

Scotland's water industry needs investment. We must alleviate hikes and charges, especially for pensioners and those on low incomes. I encourage the minister to consider streamlining and equalising charges through the structure and organisation of the water companies.

The Deputy Presiding Officer: There is time for only four speeches from the floor, each of which should take no more than four minutes. I call Michael Russell.

15:11

Michael Russell (South of Scotland) (SNP): Mr Tosh made a remarkable speech, which made some of us look round to see whether there was a doctor in the house. Fortunately, there is a doctor in the house and, doubly fortunately, he has a qualification in psychiatry.

As Mr Tosh rightly said, the debate is not just about water, but is about local government, and the motion deliberately draws attention to that. Water and local government are two sides of the same coin in Scotland, especially this week, when local authority council tax increases will be announced. They are two sides of the same coin for another reason. The 19th-century improvers had a great vision—not just in Scotland, but in America and throughout Europe—of public water supplies making a major contribution to public health and to the growth of society. The municipal reformers had a similar vision of the important role of local government in developing services for communities, and especially for those who were most vulnerable and needed most help.

This week, we have seen—as we have seen repeatedly with new Labour during the past

several years—that both those obligations have been abandoned. They have been abandoned in the most cynical way, because the pretence is kept up that there is a belief in improvement and in public service. The reality is that the obligation is being given to somebody else. “Spin, not substance” is the epitaph of new Labour. Everybody has a responsibility except new Labour, whose members stand back and pretend that nothing is happening.

Burdens on local government are significant. New burdens are being added to local government, but there is no new support. The figures speak entirely for themselves, and I am sorry that there is no local government minister here to talk about them. Mr McConnell trumpeted the sum available this year as £5.94 billion. However, the Executive—trying to be fair—says that there are additional burdens of £120 million, so that has to be taken out of the figure. Then we begin to see the real figure. When one adds the new burdens that the Executive will not talk about—the obvious burdens of inflation and pay rises—the real figure for the local government settlement this year is £225 million less than last year's. It is not an increase; it is a cut of 3.9 per cent.

What is the impact of that? This morning, I met a group of concerned residents who were petitioning the Parliament in support of the Carrick Street day centre for the elderly in Ayr. Mr Tosh should note that I, too, have been in Ayr. [*Laughter.*] Labour members may laugh at that. That centre is to be closed and they are laughing about it. I hope that people note that they are laughing at that. Those old people in Ayr value their centre, which is being closed by stealth and sleight of hand by a new Labour authority. To be fair to that authority, it is being closed in the context of a shortfall in South Ayrshire of £6.5 million. In North Ayrshire, there is a shortfall of £6.25 million. In those two local authority areas alone, almost £13 million is being taken out of local authority budgets.

Water and local government services are, as I said, two sides of the same coin, and the Executive is avoiding its responsibilities. Who pays the price for that? Tommy Sheridan was right to say that the price is paid by every individual in this country. Mr Tosh may know the price of everything but, like the Executive, he knows the value of nothing.

Mr Tosh *rose*—

Michael Russell: I cannot give way to Mr Tosh. I have to wind up.

There is a price to be paid, and it is being paid by the ordinary citizens of this country. When they come to vote, those citizens will exact a high price from the Executive and from new Labour, because

those citizens are the people who are suffering.

15:15

Des McNulty (Clydebank and Milngavie) (Lab): Mr Russell can never be accused of a lack of chutzpah—he does not allow ignorance of local government to get in the way of his speaking about it. My understanding of the situation at the Carrick Street centre is that there is a proposal to build something rather better in its place in the long term.

Mr Tosh *rose*—

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab) *rose*—

Des McNulty: I will give way to Cathy Jamieson.

Cathy Jamieson: The Carrick Street day centre is used by some of my constituents—people tend to forget that part of Ayr is in my constituency. Does the member agree that the proposals by South Ayrshire Council to consult the people who use that centre, and to provide a more appropriate centre for them, are a step in the right direction?

The Deputy Presiding Officer: You may answer that point, Mr McNulty, but then please get back to water.

Des McNulty: The proposals are a step in the right direction, reflecting a sensible and practical approach to local government that Labour has pioneered and carried through for many years.

Mr Tosh *rose*—

Des McNulty: Sit down, Murray. What was especially striking about Murray's contribution—which was good in many ways—were the two things that he forgot to mention. First, the prime reason for the level of under-investment in water is the 18 years of Conservative rule. For a substantial part of that time, I was in local government and restrictions on the money that could be invested in water and sewerage services were very tight.

Mr Tosh *rose*—

Des McNulty: That had especially bad consequences in Ayrshire, because Strathclyde Regional Council needed to put a substantial investment in water and sewerage into Ayrshire. Despite the difficulties, the improvements made represented another example of Labour local government working effectively in spite of what the Conservative Government was doing.

The second thing that Murray Tosh forgot to mention was that the Conservatives came forward with a series of proposals for the future of Scottish water—proposals that were overwhelmingly and decisively rejected in a ballot in the Strathclyde Regional Council area.

Mr Tosh *rose*—

Des McNulty: All right—Murray can answer now for what Ian Lang was not prepared to defend at the time.

Mr Tosh: One of the options that was put forward was to organise the water industry in Scotland into three regional boards. That was the submission that the council on which I served at the time made to the Scottish Office, and that is what the Scottish Office did. I forget nothing: I well remember playing a part in establishing the structure that we have today.

Des McNulty: I am afraid that the only Conservative who was left to defend the Government's position after the Strathclyde water referendum was Mr Pickaxe Stewart—and he did not do it very well.

There are serious issues to be addressed. If people want to be involved in the policy community that will decide the way in which we take this issue forward, there are things that they must accept. We have to replace the Victorian infrastructure after a lengthy period of under-investment. Under Labour, investment has grown substantially in the past two or three years, but we need much more, much more quickly, if we are to make our water industry modern and comparable with that which exists in some other parts of the UK. There has to be a substantial upgrading in investment to bring our water industry and—even more important—our sewerage industry into line with European standards. We have to meet a set of targets.

There are only three ways in which we can meet those targets. First, we can increase customer charges; secondly, we can use funds borrowed within the external financing limit; and thirdly, we can implement public-private partnerships. Those are the only three routes, and there has to be an appropriate balance between them. There are no cost-free methods of upgrading our water industry.

Fergus Ewing *rose*—

Des McNulty: I have already taken two interventions.

The charges that we will have at the end of this process will be substantially less than those that will apply south of the border. That is the reality. If we compare both urban and rural contexts, the charges will be less than they are south of the border.

I accept—as it is only reasonable to do—that charges have to increase. Everyone involved recognises that if we are to have the infrastructure that we want, and if we are to meet environmental targets, we will have to increase charges. The debate should focus—and this is the real issue—on how that can best be done; on how we can

take forward the process of investment; on what the balance should be between PPP, self-investment by the companies using money raised from charges, and other mechanisms; and on how the regulatory framework should operate. Those are important issues which we should discuss. I very much regret that, in the course of the debate, we have not discussed many of those important issues; they have not been the substance of debate because Opposition members have wanted to engage in the politics of irrelevance.

If Alex Salmond and Mike Russell want to talk about the way in which a successful referendum can be carried out, I am prepared to offer them advice on that. However, the way in which they have operated up to now is this: they have ducked the issues and gone for the easy slogans, and they have not taken on policy issues in a serious way. SNP members are excluding themselves from the real discussion about the future of Scottish water to the detriment of debate within the Parliament and of the people whom they purport to represent, as well as everybody else in Scotland.

The Deputy Presiding Officer: Mr McNulty made an abrasive remark about a former Conservative minister, which I did not find particularly appropriate in this chamber.

15:21

Mr Duncan Hamilton (Highlands and Islands) (SNP): If we are to rule out abrasive remarks about Conservative ministers, perhaps I should ditch half my speech. If anyone doubted that water was an emotive subject, one look at Mr Tosh during his outburst would have been enough to convince them otherwise. However, I am afraid that it contained more passion than constructive comment.

I will focus on the north of Scotland and on the issues that concern the Highlands and Islands, the region that I represent. Members have missed what Richard Lochhead said—it is important to put the subject of this debate in its full context. In the Highlands and Islands, that means recognising the additional cost of living, as a result of the fuel charges; the demand for local services, which the local authority settlements are going no way to meet; the problems of delivering health care; and, finally, the additional water charges.

The Government says that it wants to encourage rural and scattered communities to flourish, although it is systematically ensuring that that cannot happen. If the Government really believes in joined-up thinking, why is it impossible for it to work out a strategy that will encourage vibrant communities in those areas instead of cutting them off?

We are all agreed on one thing, at least—the

investment that has been made was necessary. We all want an increase in standards and we all want to move that debate on. Where SNP members differ is that we allege that the Government has abdicated its responsibility by passing the cost of the investment entirely over to the consumer. In her speech, the minister said that the investment provided value for money. That is not value for money for people in the north of Scotland, who are facing an increase in their water bills of 111 per cent on the 1997 figure. It is not value for money for the consumer. I suggest that the Government reconsider that.

Another concern is borrowing and the external financing limits. In 2001-02, we will return to the 1996-97 levels. However, in the context of a higher overall spend, the amount that will come from revenue—in effect, from the customer—will be disproportionately high. This is not rocket science: it is obvious that the consumer is losing out under that arrangement. I suggest that, unless the Government rethinks its policy, it will discover that consumers—who are also voters—may want to comment on it either at the by-election or at future elections.

The sparse population and the particular problems that are faced within the North of Scotland Water Authority area must be taken into account. I was interested to hear the water commissioner say on the lunchtime news that there were specific problems in the north of Scotland, especially in relation to the treatment that is required for the water because of the soil. If that is the case, and if the Government's own water commissioner recognises that there are additional costs and burdens, why is it impossible to provide additional help? I make a strong plea for the special case of the north to be heard. We must recognise that there are additional costs.

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): Will Mr Hamilton give way?

Mr Hamilton: No, thank you.

My final point concerns those who are in low-income groups. Tavish Scott was somewhat off the mark in congratulating the minister on an initiative that he said was pushing forward the debate on how we could help people from poor backgrounds or on low incomes. We are having this debate only because the minister imposed the charge in the first place. The fact that it took a parliamentary answer to wheedle out the fact that she would address this matter, but not until the summer, does not suggest to me that the Government is especially responsive. We should not congratulate the Executive on trying to resolve a problem of its own making.

Sarah Boyack: The parliamentary record will show that I made a clear commitment to a review

of vulnerable households in my statement to Parliament in January. That fact was not wheedled out of me by a question.

Mr Hamilton: Although I am happy to debate with the minister the procedures that she used to give the information, the kernel of my question is why she should get any credit for going some way to resolving a problem that she instigated. That is the SNP's central contention, and until she addresses that point, she will not carry any SNP support.

15:25

Dr Richard Simpson (Ochil) (Lab): Someone commented that there was a doctor in the house and that I should make a diagnosis about Murray Tosh. Although Murray spoke with considerable passion, I would diagnose exasperation with the SNP, which consistently fails to come up with policies that have any credibility.

No MSP would disagree that the water industry needs investment. The disagreement is about how such investment should be financed. We think that the cost should be spread among, first, the private finance initiative, which the nationalists would completely abandon; secondly, the external financing limit, which we have increased; and, thirdly, water charges. If PFI is abandoned and the EFL is not increased, how will that investment be financed? It will be financed by another of the SNP's magical bonds that do not work within the public sector borrowing requirement. That is just not on.

Fergus Ewing: Dr Simpson calls the bond solution "magical". Will he account for the fact that that solution was proposed by the water authorities? Why would they make such a proposal if it was not cheaper than PFI?

Dr Simpson: There was a failure to recognise that any bond issue would still count within the financing limits, which is the problem.

I am not saying that we do not need to examine the matter carefully; I am saying that we must address it in a careful and considered way that does not try to score political points. We should accept certain basic premises on which most MSPs agree. We agree that the Scottish people are absolutely clear that they do not want the Scottish water industry privatised. We also agree that we must position our water industry to make it modern, highly competitive and able to attract the appropriate investment.

I am concerned that the English water companies have had six more years of significant investment than our companies have had, which has allowed them to modernise in a way that makes them more competitive than our water

industry. Although some measures that have been introduced in the past two or three years represent a significant advance, we must address that issue. In England, the French have taken over a substantial proportion of the water industry, and other significant external investors are involved. We need to examine how to position our water industry so that it remains competitive and its base is not narrowed. Perhaps we should investigate new ways of funding that ensure that charges do not increase any more.

Scottish charges are still less than English charges. If we examine how much less our charges have been than English charges since the water industry was privatised, we will find that we have been protected in Scotland from increased charges for many years. The necessity for investment means that our charges are catching up with those in England, which is an uncomfortable process. The minister has appropriately undertaken to examine the most vulnerable group in our society. In his thoughtful speech, Tavish Scott suggested how to make savings in an area that will be retained in the public sector.

Many of us will begin to listen to the SNP when it comes up with some credible alternatives that do not rely on a rapid rise in the oil price from \$10 to \$30 or make demands on Westminster when the party wants to separate itself completely from the UK Government. Its motion is totally unacceptable and should be rejected in favour of the Executive's amendment.

The Deputy Presiding Officer: I now call Nora Radcliffe to wind up for the Liberal Democrats.

15:29

Nora Radcliffe (Gordon) (LD): Mike Russell made a comment about 19th-century vision and the belief that clean water supplies and proper sewerage did most for public health. Although they are assets on which we cannot put too high a price, we must put some price on them, as they require massive investment. We are operating with a Victorian structure that must be replaced—there is no way around that problem. We need the money; it has to come from somewhere.

There is no doubt that bills will rise, and I do not think that people will grudge paying for something that is so essential to our general well-being, provided that those people who have real difficulty in meeting higher water charges are adequately protected. Many of us do not like paying more, but we can afford to—we should be honest about that. We do not get owt for nowt in this world; people who can pay should pay.

Richard Lochhead: The water bills that the member's constituents will receive through the

post after 1 April will be 42 per cent higher than they were last year. Does she think that it is proper that the Scottish Executive is not putting a penny into the water industry to keep those bills down?

Nora Radcliffe: I believe that about £20 million is going into the water industry through external finance.

We keep coming back to the hard facts that massive investment is required and that that money has to come from somewhere. I do not think that people will grudge paying more if they can see that their money is going into something that is worth paying for, with the proviso that people who will find it difficult to meet those charges are protected. I am glad that we are to examine that, but I would have preferred an earlier review.

Mary Scanlon (Highlands and Islands) (Con): Does Nora Radcliffe share my concern that the increase in the old-age pension is 73p a week and that many pensioners will pay more than that for the increase in their water charges?

Nora Radcliffe: Of course I share Mary Scanlon's concern, but pensions are reserved to Westminster. We have made clear our views about that matter and I wish to move on.

Tavish Scott suggested that we should consider how the water industry works and whether there were ways of minimising the costs through more co-operative working. Fergus Ewing asked about the costs of the water commissioner. Tavish gave a sensible answer by suggesting that we should wait to see whether the water commissioner was worth what we paid him and, if not, that we should consider the matter further.

Questions have arisen about whether the present structure of the water industry is locally accountable. We must keep that matter under review. In addition, should we have equalisation of water charges across Scotland? As the Minister for Transport and the Environment pointed out, the actual cost of upgrading water and sewerage services in a small community in my area was £12,000 per head of population. We should consider whether such charges can be equalised.

A number of people questioned the balance in the way in which we pay for improvements through external finance, private partnership and charges to the consumer. We have arrived at one possible balance this year—let us see how it works and move on from there.

We are all concerned about the impact of the Competition Act 1998 on the water industry. I ask the minister to indicate her views on that point when she sums up.

We have a priceless asset that must be paid for and we are looking for the best way forward. We

can do that only through constructive debate.

The Deputy Presiding Officer: I call Murray Tosh to wind up for the Conservative party. Mr Tosh, you have four minutes.

15:34

Mr Tosh: I am delighted that Dr Simpson has given me a clean bill of health this afternoon. At the risk of raising fresh doubts about my sanity, I must say that I thought that Tavish Scott gave a constructive and thoughtful speech. I assure him that he will not be the only Scott in the chamber for long.

Sadly, Michael Russell is no longer in the chamber, but he suggested that I knew the value of nothing. For nine years, I heard that wee phrase across the council chamber, when I had the delight of listening to Ian Welsh throwing it at me.

I was curious about Des McNulty's comment that the issue of the Carrick Street day centre in Ayr is being addressed sensibly, although I was delighted to hear Cathy Jamieson say that something is happening that might save the Carrick Street halls. That would be very positive.

What constructive light can we put on the proposal to close Content House, to save £250,000 and to put a lot of old and frail people into a nursing home? Are we going in the right direction when the council is proposing to introduce fees for music tuition, to close its libraries one day a week and to lay off home helps?

The Deputy Presiding Officer: You should stray back to water, Mr Tosh.

Mr Tosh: It was stated in the debate that the council's budget was nothing to worry about and that it was all good management. The council's financial cuts this week are already in the public arena—the issue is in the local papers—and have been put before the staff at a joint consultative committee. These cuts are a disaster, not only for that council but for many councils across Scotland.

The SNP has, in one respect, done us a favour this afternoon—it has given us the opportunity to focus on the significant cuts in local authority resources since this Government came to power. I am sorry that Jack McConnell is not here to give us his usual run round the chamber and to tell us that everything is wonderful and that there is loads more money. The simple truth is that no councils have more money. They are all having to make cuts; they are considering severe, deep and bitterly felt cuts, which will affect communities across this land.

Cathy Jamieson: Will Mr Tosh give details of what the Tory councillors on South Ayrshire

Council propose as an alternative budget?

Mr Tosh: That is a fair debating point, which suggests that the Labour councillors in South Ayrshire are not directly to blame—it is not their fault that they have to chop £4 million from their budget this week. They must hate to do what they have been made to do. They must think back to their election promises, when they said that everything would get more money and cash would be flowing through all the public services. They must be wondering what they have let themselves in for. I do not know how one takes £4.8 million out of that council's budget. Our councillors face a nightmarish task.

When the Executive parties were in opposition, they used to say that more money should be spent on this, that and the next thing; they said that more money should be spent under every heading. We heard from Mike Russell about two matters being the two sides of the one coin. In our political culture, the Labour party and the SNP have been the two sides of the one coin. For 18 years, when it was in opposition, Labour said, "We will spend more money." Now that Labour is the Administration, it is having to answer for its decisions. That is not easy, boys, is it? Labour's role has now been usurped by the SNP, whose members come into the chamber and say that they will spend and borrow without restraint and without limit.

I must wind up now, as I am getting nasty looks from the Presiding Officer—perhaps Dr Simpson has given him worried expressions across the chamber.

The motion is an act in irresponsible posturing. The way in which the Scottish nationalists continue to present their wonderful menus of what they would spend is unsustainable, irresponsible and unsellable, as we shall shortly see.

15:38

Sarah Boyack: I welcome the fact that no one in this debate has seriously questioned the need for investment in drinking water quality and environmental improvement. The Scottish Executive has faced up to how we deliver that investment and the fact that it must be paid for. However, the evidence from this debate is that some members want to have their cake and eat it. The fact is that the SNP does not understand finance. The Scottish Executive has helped—we provided £20 million in external financing limits in the previous spending round.

Richard Lochhead: Will Sarah Boyack give way?

Sarah Boyack: No thanks. Mr Lochhead will have his chance in a minute.

Increasing NOSWA's EFL by 50 per cent over the next two years is a practical way of providing support. The borrowing is, in itself, not an easy option as it must be repaid. The SNP's approach would create excessive debt burdens for the future.

On debt write-off, Scottish water authorities were better treated when they were set up in 1995 than English water companies were on privatisation. The comparison that Mr Lochhead gave on debt write-off was completely inaccurate because it did not include the receipts from privatisation. That meant that the net benefit for England and Wales was £1.3 billion. For Scotland it was £0.7 billion, which is, proportionately, five times more favourable.

PFI has been mentioned. It is not the cause of higher charges. It is simply one of a number of means of financing the necessary investment, at least cost to the customer and in a way that allows us to know when the work will be completed. It will enable us to meet our obligations under European directives on time and guarantee the investment in higher-quality water that we need.

In this debate, as in many others, the SNP has suggested that we simply throw money at the problem. In his concluding speech, I would like Mr Lochhead to explain how he would finance the spending commitments that he seems to be making. Those include £1 billion for debt write-off, along with a further commitment of almost £1 billion—if the SNP really intends that additional investment costs over the next five years should be met by taxpayers rather than by water customers. If water customers are not to pay for that investment and the Government is, we are the people who will have to identify where the money should come from.

I welcome Murray Tosh's support for a broader discussion on the way forward for our public water industry in Scotland.

I want to talk briefly about competition, which was mentioned by several speakers. It is important that I set out where we want to go on that. We need to ensure that our water authorities can mature and meet the increasing competition challenge. It is not the case that 1 April will be a magic date on which the Competition Act 1998 comes into force—there is already competition in the water industry, and our three water authorities in Scotland are trying to gear up for that. What matters is that they are becoming more competitive and that our water industry commissioner is suggesting ways in which they can do that.

We will no doubt hear accusations that some form of competition is a form of privatisation. Nothing could be further from the truth. The water

authorities will remain firmly in the public sector, and I am confident that they will take the opportunity to show that the public sector can compete fairly and effectively to deliver a high-quality, value-for-money service. We need a public debate on that; our consultation paper next month will provide us with that opportunity.

Although water prices in Scotland are rising, they are still lower than those of the comparable water authorities that were privatised in England and Wales. We need to be responsible, flexible and imaginative in ensuring that our water authorities respond to the needs of all their customers. However, that will not diminish our right, through ministers in Parliament, to hold the industry to account in the public interest. It is absolutely fundamental that competition should operate in a way that does not threaten public health or the security of the public water and sewerage networks. That will be a fundamental condition, on which there can be no compromise.

In our consultation with the industry, we will continue to ensure that public control remains firmly on the agenda. That does not mean that we have any ideological problems with partnerships with the private sector. However, when they happen it must be with the leadership of the public sector.

The challenge is to create a modern public water industry in Scotland. Our Executive is developing Scottish solutions to Scottish problems. Tavish Scott and Nora Radcliffe made key points. We need co-operation, we need to have savings in the water industry, we need benchmarking with the best parts of the water industry throughout the UK and we need to ensure that we have efficiency of service. Every consumer, whether domestic or business, will want a higher level of service for the extra money that they will pay because of price rises. We need to ensure that we deliver that.

Our Executive will deliver investment where it is needed. We will deliver an efficient, high-quality, safe and environmentally responsible water industry that is also competitive. The Executive is committed to addressing the problems of the most vulnerable in our society. We are already doing our bit for pensioners, with our £100 winter fuel allowance, with our free television licences for the over-75s, with the minimum income guarantee for all pensioners and with low inflation at a UK level. That is the way in which to protect pensioners and meet their needs.

We need Scottish solutions to Scottish problems. Our water industry will remain public and efficient and it will deliver high environmental standards. We need the investment; that is what this Executive is delivering. I commend our amendment to the Parliament.

The Deputy Presiding Officer: I call Fergus Ewing to wind up on behalf of the Scottish National party.

15:44

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): It is always a pleasure to watch Murray Tosh speak, because he does so very elegantly—the SNP has a problem only with the substance of what he says. What has not yet been said in this debate is that the first responsibility of the Administration when trying to ensure fair water charges—or other forms of charges—is to look for savings within the Scottish block.

During Tavish Scott's speech, I suggested that the office of water commissioner did not appear to provide any demonstrable service to the public. Does the commissioner provide technical advice? That is already provided by the water authorities. He offered advice to the minister on the level of charges. She said that that advice was moderated—in other words, rejected. If the role of the commissioner is to offer advice on what the charges should be, his role has been ignored—the increases that he suggested, which, I believe, were higher than those that the Government wanted, have not been accepted.

The first question that we must ask is why the Lib-Lab Administration has spent £1 million on setting up another quango. I have been asked that question when visiting places such as Ayr—to pick a constituency at random. People in Scotland are desperately concerned about the amount of money that is wasted on quangos, yet one of the first things that this Administration did was to set up another quango, whose purpose we do not know but whose cost we do—£1 million.

In the spirit of being helpful, I draw members' attention to another saving that could be made. I know that the Executive is aware of the possibility, because Donald Dewar informed me, on 6 March, that the cost of employing eight special advisers in the Scottish Executive was £527,207. I challenge the Executive to find one voter in Ayr who thinks that we should be spending one penny of that money in that way.

Mr Tosh: I agree with many of Mr Ewing's points but I would like him to explain what the savings that he is talking about have to do with a multi-billion pound programme of investment. He is talking nonsense.

The Deputy Presiding Officer: Yes. Water, water, water, Mr Ewing.

Fergus Ewing: Of course the figures that I have mentioned are not significant in this context. However, if they are added to the cost of consultancy, the cost of the quangos, which have

not been subjected to real scrutiny, and the cost of bureaucracy in Scotland, they form part of a large potential annual saving.

Local government has been subjected to a great deal of democratic scrutiny, but quangos have not. I am convinced that the public agree with that statement and believe that significant savings can be found from the Scottish block of £16 billion. Instead of trying to make those savings, the Scottish Administration adopts the same policy as the Tories did—there should be no savings at all. The Tories and Labour are pursuing Jeffrey Archer's economic policy—not a penny more, not a penny less.

Why are consumers—especially those in the west of Scotland, as Duncan Hamilton eloquently pointed out—facing a 43 per cent rise in their water charges this year? The band D bill in the north of Scotland will be £300 and there will be no rebate scheme, although there will be one for council tax. Given that, and as there is no real linkage to ability to pay, I put it to the chamber that water charges are new Labour's poll tax. The difference is that there will be no back-bench rebellion when new Labour introduces its poll tax.

Mr Brian Monteith (Mid Scotland and Fife) (Con): Does Mr Ewing agree that one way in which to save money would be for him not to ask so many parliamentary questions? I recollect that the cost to the tax payer of his questions is in the region of £30,000.

Fergus Ewing: I am astonished that Brian Monteith believes what is spun by the special advisers. It is not the questions but the evasive answers that cost money. The answer that I mentioned was the fifth one that I received; why did the Executive not give the answer on the first occasion? That would save £400 by Mr Monteith's calculations, which, incidentally, I do not believe for a second.

I will move on to some aspects that have not been discussed. First, there will be a lot of investment. Will work go to Scottish businesses? What efforts have been made thereanent?

Secondly, the improved water supply involves a lot of chlorination. Is there not concern that, in some cases, chlorination leads to trihalomethanes? There is certainly concern about that in parts of my constituency.

Thirdly, does the Lib-Lab Administration accept that what it is foisting on Scotland is a form of mortgage? It is repayable not over 25 or 30 years, as one would expect if one were buying a house, but over three years. That is what is proposed and what the consumer will have to pay. Not one penny of the Scottish block of £16,000 million is being injected by the Lib-Lab Administration to abate the charges for consumers around Scotland.

Sarah Boyack: Will the member give way?

Fergus Ewing: No.

I am truly astonished that the Labour party, which is supposed to stand up for ordinary working people, should foist such charges on consumers in Scotland, where, many people believe, we have the best water in the world.

Dr Simpson: Fergus Ewing would tax people again.

Fergus Ewing: Richard Simpson is interjecting from a sedentary position. I was pleased that he conceded in his speech that he would be interested in exploring the efficacy of the use of bonds to raise funds. He conceded that, but why have the ministers not done so? During the debate, although the minister did not answer Mr Salmond's question, we heard that the water authorities had suggested that bonds should be used. Why, then, has the Executive said no?

I will share this truth, which I believe to be self-evident, with the chamber. Although Richard Simpson and the Labour party now adore the private finance initiative—it is funny how things change—any PFI contract that I have encountered, whether it be for the Royal infirmary, the Skye bridge or Craig Dunain hospital in Inverness, has cost a fortune and has been a complete waste of money. Such contracts lead to massive interest payments for years and years. That truth will become more and more evident. Unfortunately, the people of Scotland will ultimately pay the bill.

In conclusion, Labour members have said that they resent Mr Russell's suggestion that they are laughing at the people of Ayr. I would not repeat that suggestion, but I say that Labour will be very worried about the verdict that is passed on these policies a week on Thursday.

The Deputy Presiding Officer: That concludes this rather fluid debate on water charges.

Post Offices

The Deputy Presiding Officer (Mr George Reid): The next item of business is a Scottish National party debate on motion S1M-638, in the name of Fiona Hyslop, on the role of post offices, and on an amendment to that motion. Members who wish to contribute to this debate should press their request-to-speak buttons now.

15:54

Fiona Hyslop (Lothians) (SNP): I would like to welcome the sub-postmasters and sub-postmistresses from across Scotland who are here for the debate. As they are a group of people who are famed for their lack of spare time, it is a measure of their concern that they have taken time to attend the Parliament.

I would also like to thank people for the messages that I have received in the past few days; from postmasters and postmistresses from Hawick to Armadale to Tynecastle in Edinburgh. To all those people, I give a solemn pledge that the SNP shares their concerns and fears about the future of their livelihoods and of the vital services that they provide. We are committed to supporting them however we can.

In recent months, I have spoken to many of the dedicated men and women who run our sub-post office network. They do it for the narrowest of margins. They take a wage from their business; for the hours they put in, many of them would be lucky if it exceeded the national minimum wage.

Talking to those men and women, I was struck by their concerns not only about their own future, but about the future of their customers. They know many of their customers on a first name basis; the lives of those people are the subject of everyday conversation while business is sorted out—the birth of a child or grandchild, good news and bad.

Often, for older people living alone, the visit to cash the pension is one of the social focal points of the week. The worries of the sub-postmasters and sub-postmistresses about how their customers would cope if the trip to the post office was replaced by a visit to the nearest hole-in-the-wall cash point were evident.

There are worries about practical issues relating to how the new system would work. Do we really expect home helps who cash pensions to be given the personal identification numbers of their clients? Would we want that? What happens to the pensioner who lives in a community where the post office has closed and the cash point issues money in a minimum denomination of £10? What is that person to do with a £66 pension payment—

will they miss out on £6? What about the million dollar question—or rather that of the people who do not have a million dollars—of people who are in overdraft? Do they have to set up an additional account, with additional charges?

Those are real concerns that have been expressed to me by people on the front line of the proposed change. However, the people to whom I spoke expressed another emotion—that of disappointment. Those people, who serve our community, are disappointed that a Government with a much vaunted commitment to social inclusion is allowing such a valuable resource to go to the wall.

Every postmaster to whom I spoke is alive to the potential for social inclusion that the post office network offers. They are all disappointed that the opportunity that they offer is being spurned by a Westminster Government that is committed to false economies. We have a Labour Treasury that can read a balance sheet but cannot understand the value of community.

There is real concern that by the time the Government wakes up to the potential offered by the post office network it will be too late. A letter from Dr Tom Begg, chairman of the Post Office Users Council for Scotland says:

“What would be wrong is for the community to blunder into losing the comprehensive national network because the government had not fully considered the implications of altering benefits policy.”

The fear is that, through false economy and misdirected policy, the Westminster Government is blundering into a situation where the existence of hundreds of sub-post offices is put in jeopardy.

After the disappearance of the post office network from much of the landscape of Scotland, the shops and businesses that depend on the network to draw in business will follow. A pound that is cashed locally is spent locally. Instead of encouraging social inclusion, the Government's policy will lead to greater exclusion; boarded-up village shops and empty shopping parades will be the hallmark of Westminster's commitment to social justice. It makes a mockery of the millions of pounds that the Government in Scotland is spending on social inclusion partnerships if the Government in London is ripping the heart out of communities that are already under severe strain.

Many Labour members have put their faith in the decision to postpone a move to automated credit transfer until 2003. They believe that that decision, combined with the commitment to retain the Horizon programme, means that the bleak scenario that I have described has been averted. They are wrong. The threat to the network is as real as it ever was.

I say that for two reasons. First, Horizon is far

from being online. So far, only 2,000 post offices have been automated and a further 17,000 are on the waiting list. There is every chance that it could be 2004 or 2005 before the job is complete—even then, it might not link the whole network.

Secondly, even if Horizon is up and running, the shift away from post offices will be enough to sink many hundreds of sub-post offices. The ones that remain will find the battle to survive tougher every day. As we have already seen in the Highlands and in the Borders, more and more people will simply walk away from their franchises, cutting their losses before the situation worsens, and no one will be prepared or able to take their place.

Let us be clear: any move towards banks through compulsory ACT will mean that post offices will be lost. Westminster's failure to make sufficient commitments to the Post Office for implementing Horizon and the rapid move towards ACT mean that post offices will not have the time to adapt, nor will they be able to find alternative markets to fill the gap left by the loss of business through benefit payments.

I will quote the report on the matter published by the Westminster Trade and Industry Committee, published last September:

"The Post Office is in effect being obliged to use its resources to pay half the price of the automation necessary for preservation of the national network of sub post offices, with a real risk that it may find it difficult to recover the costs by generating new business. The Government must recognise that in setting the annual minimum dividend, particularly in the years 2003-2005."

Far from recognising that concern, there is something two-faced about announcing commitment to the network at the same time as announcing that, from 2003, Benefits Agency transactions will be cut from 12p per transaction to 1p. That will further undermine Post Office income and will hasten closures across Scotland.

According to research conducted by the Communication Workers Union, there are 888 post offices in Scotland whose businesses are more than 40 per cent dependent on Benefits Agency work. The transaction charge decision alone will already have put some post offices over the brink. Unless Westminster acts, hundreds more will follow.

A transparent and unequivocal commitment from the Government, which means detail, not just platitudes, must be made to the post office network. We need an unequivocal commitment, spelling out precisely how the Government is prepared to support the network. Unless that is forthcoming, the transaction charges must be restored to the current level and compulsory ACT must be postponed until, at the very least, all post offices are fully automated with Horizon and the public have been given a settling-in period to

adapt to the new regime.

Over and above all those arguments, the opinion of the customer should count most. New Labour at Westminster likes to talk a good game about modernisation. In business, where I worked in financial services, the modern approach is to put the customer at the centre of plans. That is diametrically opposite to what the Government and the Benefits Agency propose: they want to put their convenience first and let the customer hang.

In yesterday's *Edinburgh Evening News*, Phyllis Herriot, chairwoman of the Scottish Pensioners Forum, said:

"A lot of pensioners don't have bank accounts. They are quite happy going down to the Post Office with their pension books. I know the Government is going to save money, but surely it's what suits the pensioner that should be the issue."

Phyllis is quite right: the opinions and rights of the users of the system are imperative.

Dr Winnie Ewing (Highlands and Islands) (SNP): Does Fiona Hyslop think that the Lib-Lab Government here has failed to understand the social implications for communities? The visit to the post office is not just a question of getting money. In remote places, it is a social event that is vital to the whole well-being of the community.

Fiona Hyslop: When I visited post offices in Armadale, that very point was made. The social fabric of Scotland is at risk. The Post Office is reserved to Westminster, but we have every right to discuss matters that affect the economic and social fabric of Scotland.

The quietness among members opposite is quite shameful. Perhaps they feel ashamed about what is happening; perhaps they are concerned to protect their position at Westminster.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Has Fiona Hyslop read the amendment? It says that the Executive

"acknowledges the vital importance of post offices to the economic and social fabric of Scotland".

Fiona Hyslop: But the problem is that the Westminster Government is bent on destroying that.

I quote from a letter from the National Federation of Sub-Postmasters. It says:

"Last Friday's announcement did nothing more than dress up the Government's previous empty reassurances in a different way."

Platitudes are not the same as real detail and commitment. Phyllis Herriot is right: the opinions of the customers and the users of the system are imperative. The rights that the Government proposes to trample over include: the right of pensioners to have their money paid to them in a

form that they find convenient; the right of young mums to have family allowance paid directly in cash so that they can feed their children before feeding their overdraft; and the right of those who are unable to open or manage bank accounts to have the human dignity of managing their own cash. Those people's views are being ignored. People on the streets and in the post offices definitely feel that the Government is ignoring them. I spoke to one such woman in Monkton in Ayrshire yesterday.

Dr Sylvia Jackson (Stirling) (Lab): Will the member give way?

Fiona Hyslop: No. I am concluding.

I will close with a quotation of a member of the other Parliament, who put the argument in a nutshell when he responded to a constituent's concerns on the subject:

"The Government's plans as they stand are unacceptable. People should not be forced into having their pensions paid through ACT if they do not want to do so. We will continue to campaign for a choice for pensioners in this matter."

That MP was Gordon Brown, writing in 1993, when the Tories first tried to introduce the measure. He was right then and he is wrong now. I urge members to support the motion.

I move,

That the Parliament notes the important role played by post offices and sub-post offices in the economic and social fabric of many of our communities and notes with concern proposals from Her Majesty's Government to change the method of benefit payments (Automated Credit Transfer Scheme to banks) which could result in the closure of sub-post offices and the impact this could have on the social inclusion targets of the Scottish Executive; further notes that recent announcements to allow some cash payments to continue to be paid from post offices will be too little too late to alleviate this serious situation, and therefore calls upon the Scottish Executive to make urgent representations on this issue to Her Majesty's Government in order to defend the interests of our urban and rural communities and urges it to be proactive in making representations to other relevant agencies to ensure the continuance and development of post offices in Scotland and the improvement of the availability of financial services in poorer communities in Scotland.

16:06

The Minister for Enterprise and Lifelong Learning (Henry McLeish): So far, this has been an unreal debate. I acknowledge that the truth is often a stranger to the SNP, but some of the activities of SNP members earlier today have shown them to be even more remote from the truth.

We, too, welcome to the chamber anyone from our communities, throughout Scotland, who has real concerns about their future. All members welcome those people to the chamber. The

Government at Westminster, supported by the Executive here, believes in the postal service: £5.5 billion is spent every year; 16 million letters and 750,000 parcels are delivered every day; and we have a network of 20,000 post offices in the UK and almost 2,000 in Scotland. Does anyone in the chamber suggest that we are not wholly committed to ensuring that that network exists?

I want to do something that is simple to do from the dispatch box: to nail the lies that are peddled by the SNP and to stop the scaremongering. In political debate, it is okay to have what I would call a knockabout; that word describes the SNP's contribution. When, however, one is considering the livelihoods of men and women—postmasters and postmistresses—and of the excellent work force that is part of the postal service, one has to be careful not to dress up fiction and sell it as fact.

We want everyone who claims benefits, in every post office in Scotland, to know "you have a choice". Those words appear on a poster, from which I will quote for Fiona Hyslop's benefit:

"At the moment you can collect your money at the Post Office or have it paid into a Bank or Building Society account . . . So even after 2003"—

or 2001 or 2005—

"you will still be able to collect your cash at a Post Office if you want."

Whether the SNP likes it or not, that is a fact and I want it to be recorded as such today. All I want the SNP to do is to acknowledge that after the dates I mentioned, people who want cash at a post office will get it. There is no equivocation on that point.

Fiona Hyslop: The minister refers to the letters and posters that have been distributed to post offices. I will quote again from the letter from the National Federation of Sub-Postmasters:

"The Government says customers can still collect their benefits in cash at post offices if they are 'unable or unwilling to use a bank account', but cannot tell us how this will happen or how they are going to guarantee the future for the thousands of post offices under threat."

People may be allowed to collect their money from post offices if they protest very hard that they do not want it to be paid elsewhere, but they will still be directed to bank accounts, whether those accounts are based inside or outside post offices. I know about marketing—I worked in financial services. Either way, there is no real choice. The sub-postmistresses and sub-postmasters know that and it is about time the Government woke up and listened to their concerns; they have not been assured by what the Government says.

Henry McLeish: I would have hoped that someone with a semblance of knowledge of financial services would understand what is happening.

It is vital for pensioners, people on benefits and those listening to this debate that I put on record the comments of the Secretary of State for Trade and Industry, speaking in the debate on the Postal Services Bill. He said:

"There are two categories: there are those people who have bank accounts at the moment and those who choose not to have a bank account."

Much was made of that. He continued:

"We are working on an arrangement with the banks that will cover those who presently are unbanked, so that they will be able to get their benefit at a post office in full, with no deduction."

For emphasis, the secretary of state said:

"Let us be clear: they will get the full benefit in cash at a post office."

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP) rose—

Henry McLeish: I am not giving way, Fergus.

The secretary of state continued:

"For those people who have bank accounts, there will be an arrangement to ensure that the money is paid into the bank account. There will then be a facility to withdraw that money at a post office in cash, again with no deduction from the benefit payment. That is the situation that we are putting in place. It is simple. That is the position that will apply. There will be arrangements through Horizon to ensure that the individuals on the automated network will be able to secure that position."—[*Official Report, House of Commons*, 15 February 2000; Vol 344, c 810.]

I do not know how much clearer I can be about nailing the lies that have been peddled in the chamber today.

Fergus Ewing: Will the minister give way?

Henry McLeish: I am not giving way, Fergus. As the member knows, I usually give way—I am very courteous—but I do not have much time.

We must nail the lies and we must stop the scaremongering. It is unfair for our older people to be faced with dreadful statements that they will go to the post office and be turned away at the gate and will have to open a bank account. That is utter nonsense. People do not need a bank account if they do not have one; the cash will be available.

It was important to take some time today to make that point.

Mrs Margaret Ewing (Moray) (SNP): Will the minister give way?

Henry McLeish: I am not giving way, Margaret.

The media today have been littered with stories. In no part of the coverage was there any suggestion that the current benefit cash payment will not continue in the future. Our commitment is not just about what will happen in 2001, when the procedure will be complete, or in 2003, a space of

two years, or in the introductory period from 2003 to 2005; it is a permanent commitment that is built into the bill.

I want to stress the fact that, for the first time, we have a Government that is building into a bill at Westminster obligations on the post authorities to ensure that there is an effective, viable network. It may be that in some areas the post office is not commercially viable, but is a social necessity. That is the issue that should unite us today. No one would argue against the proposition that we should have an effective network.

I see the Presiding Officer's light coming on; I am moving towards my conclusion. There are genuine worries, fears and concerns, which should be debated. We should have dialogue and discussion, but it serves no useful purpose in a democracy to parade lies as self-evident truths. That simply cannot happen if we are to have a mature debate.

I finish on this point. There are challenges ahead. Fiona Hyslop knows the financial services sector. There is the modernisation of central and local government. There are new banking procedures. This Parliament, in unity, must work together with all concerned to ensure that we have a viable system in future. We should remember that the most dependent post offices in the country—in terms of benefits—are not in rural, but urban, areas. Rural post offices have huge social cachet, however, because they are not only a provider of benefit alternatives, but a focus for the community—whether for shopping or for myriad other services, including health.

I will finish now, Presiding Officer; I will not incur your wrath much further. My plea is that we should have a debate. Let us welcome a debate on reserved matters—I fought hard for that on the consultative steering group. Bruce Crawford can shake his head all he wants but I was instrumental in ensuring that we could debate reserved issues. We owe it to ourselves as parties, to this Parliament and to Westminster to make sure that the debate is based on facts, not lies. Telling lies serves nobody's purpose and only scares people of an age when they can do without that.

I move amendment S1M-638.1, to leave out from "notes the" to end and insert:

"acknowledges the vital importance of post offices to the economic and social fabric of Scotland; notes the commitments given by the UK Government on maintaining a nationwide network of post offices for the benefit of communities in Scotland; supports the increased commercial freedom being given to the Post Office to develop new products within the public sector; acknowledges that all benefit recipients should be able to choose to have their benefit payments transacted by the Post Office, and urges the UK Government to maintain a network of post offices and offer reassurances to sub-postmasters and sub-postmistresses through a positive

programme of continuous improvement and expansion of services."

Fergus Ewing: On a point of order. In the speech that the Minister for Enterprise and Lifelong Learning has just delivered, he repeatedly accused the SNP—and presumably those who have spoken for the SNP—of lying. Is that in order under standing orders? If it is in order, is it not incumbent on the person who is making such a very serious, factual allegation to offer members the opportunity to challenge the statement by giving way—which the minister, on this occasion, declined to do?

The Deputy Presiding Officer (Patricia Ferguson): I will check the *Official Report* to see what the minister said. If further action is needed, it will be taken. The minister was winding up when he refused interventions. That is understandable in that circumstance, but we will check the record and see whether anything should be acted upon.

16:16

David Mundell (South of Scotland) (Con): Today's debate gives me a feeling of déjà vu. There are slightly more SNP and SLD members present now than there were on 27 January to debate my motion on the future of rural post offices. That debate was restricted to half an hour and many members wanted to speak but could not. I had hoped this slightly longer debate would allow them to, but it will be really productive only if there is something new and different to say. I do not want to repeat my speech of 27 January. As is usual in legal proceedings, I declare it part of my current remarks.

The issue remains as it was on 27 January: without benefits and pensions work, hundreds of Scottish post offices will cease to be financially viable. Many members of the public could be faced with a cashless service that they do not want. In the debate on 27 January, Mr Home Robertson undertook to make representations to HM Government. I note that Mr McLeish did not refer to the outcome of those representations, so I assume that they will be mentioned in the minister's winding-up speech.

Since 27 January, the situation has become even less clear. Mr Stephen Byers, the Secretary of State for Trade and Industry, announced in the House of Commons that there would be subsidies for post offices, but he did not say how, to whom or by whom they might be paid. Sources close to him are apparently suggesting that the subsidies could be paid by local authorities rather than the Government. As has been argued in this chamber, many local authorities' budgets are not sufficient to meet the basic needs of maintaining roads and schools, so the prospect of their maintaining rural post offices is negligible.

Mr Byers's lack of clarity is not the only problem. Mr Alan Johnson, the Parliamentary Under-Secretary of State at the DTI, tells us that there will be a new, simple electronic money transfer system. Despite persistent probing by the National Federation of Sub-Postmasters, among others, we have no clear indication of how that system will work, how it will relate to bank systems and what it is intended to achieve. It may be what underpins Government comments that people will be able to receive payments in cash, but it has not given any justification that stands up to scrutiny.

The climate of uncertainty is destructive. People are not keen to take over post offices. In my neighbouring village of Beattock, there is no longer a post office because nobody wants to run it. There are many sub-postmasters and sub-postmistresses who have invested hundreds of thousands of pounds. It is estimated that in Scotland they have invested £100 million of their own money—the entrepreneurial approach that the Minister for Enterprise and Lifelong Learning wants to encourage. Because of the uncertainty, those people cannot sell their businesses if they want to move out, and banks that want to develop and expand are unclear about the future.

Mr McLeish seemed to allude to the fact that the Government has the opportunity to redeem the situation by giving us clarity of purpose and telling us how, step by step, the public can continue to be paid in cash. The Scottish Executive has tremendous scope to contribute to an exciting future of expanded services for post offices.

We had a rather dysfunctional debate on modernising government the other day. If the Government is serious about modernisation and delivering services to people in their communities, the post office network offers the opportunity to do that. From applying for housing benefit to getting an application form for one of the Government's many seats on quangos, all could be done in a supervised, interactive environment in local post offices.

I will replicate my previous speech in one way: by concluding with a remark, which applies equally to urban and rural post offices, from Katharine Stewart's book "The Post in the Hills":

"in a rural area like this the post office has always been a natural focus of community life. In the queue for postal orders or the savings bank all the news from the activities of the local council to the School Board to events of national significance can be discussed and addressed. The latest gossip is also greatly shared and enjoyed".

Post offices are at the heart of every community across Scotland. Let us do all we can to keep them there.

16:22

Mr John Munro (Ross, Skye and Inverness West) (LD): There is a great deal of support for post offices here today. We all accept that the post office is more than a business. It is more than a place to receive one's benefits. It performs a vital service in thousands of communities around the country. Sub-postmasters and sub-postmistresses often perform the additional and unofficial functions of the village social worker, home help or local tourist officer.

Rural communities know only too well the devastation that is caused by the loss of such a treasured service. I am sorry to say that during the Tory years the number of post offices in the UK fell by more than 3,500—one in six of the network. The losses were felt especially hard in rural areas, as sub-post offices closed and services retreated to the towns and cities. I draw parallels with similar discussions that we have had on shops and petrol stations. If the Tories had succeeded with their plans to privatise the Post Office fully, and to allow market forces to wreak havoc on our rural communities, I wonder just how much worse the situation might be today.

Although privatisation has been stopped, figures show that the rate of sub-post office closures has accelerated since Labour came to power, which is surprising. Projected figures for the year ending in March show that we are looking at perhaps as many as 500 sub-post office closures. That is unacceptable. As more and more sub-post offices are struggling to survive, it is unfair that further insecurity and uncertainty is placed upon them.

We accept and understand that the Post Office is a reserved matter for Westminster. The Liberal Democrats at Westminster have demanded—and received—assurances that ACT processing of benefits will not take place until automatic platforms are available in all post offices. That will at least allow our sub-post offices to compete.

We have argued strongly that customers must be able to choose the right to receive benefits directly from the post office, without a bank account being involved in the transaction. Liberal Democrats at Westminster are campaigning for assurances and guarantees for sub-postmasters and sub-postmistresses that their income will not be threatened by future changes.

Our Westminster team argues that the universal service provision should be re-written to guarantee that the social value of rural post offices—which has been mentioned today—is taken into account in determining the financial viability of the service. Liberal Democrats at Westminster are leading the fight against the neglect of the post office network by successive Labour and Conservative Governments. Where has the Scottish National

party been while that fight has been going on?

Fiona Hyslop: Will the member give way?

Mr Munro: No. I will let the member in shortly.

In December, Liberal Democrat MP Steve Webb tabled an early-day motion demanding income safeguards and guarantees. It drew 90 signatories from both sides of the House of Commons. Only one of the six Scottish National party MPs bothered to sign up in support.

In January, the Liberal Democrat MP Vincent Cable forced a vote on a Lib Dem motion that attacked the neglect of the Post Office by successive Governments. Forty Lib Dems, one Irish MP, one Welsh MP and Martin Bell voted against the Government. The Tories abstained because they refused to accept responsibility for decimating the Post Office in the past. Where was the SNP? Not one Scottish National party MP turned up to vote against post office closures—at Westminster, where it matters.

In February, the Postal Services Bill received a second reading; once again, we had the chance to say what we thought of the closures. Eight out of 10 Scottish Lib Dems voted against the closures. An amazing two out of six SNP members bothered to turn up and vote. Perhaps Alex Salmond has a guilty conscience about failing to turn up when it really mattered. His party is kicking up a fuss now, to hide its guilty tracks.

We must not allow the SNP's failures and neglect to hide the fact that dangers still confront our post offices. The Communication Workers Union and others tell us that between a quarter and a half of our post offices could be threatened by the loss of some £400 million of income through changes in benefit processing. In Ross, Skye and Inverness West, 23 of the 84 post offices depend on benefits for more than 40 per cent of their income. Those figures are, I understand, typical across the country.

We must demand clarification and assurances from Westminster that it intends to defend our post offices. The Executive's amendment urges the UK Government to maintain the network and to offer reassurances to postmasters and postmistresses. The UK Government tells us that its proposals do not threaten the network. It must demonstrate that by offering assurances and guarantees to the thousands of postmasters and postmistresses around the country who feel threatened by the changes.

I hope that the whole Parliament can join together today to condemn the closures and to urge the UK Government to offer the guarantees and assurances we all seek.

The Deputy Presiding Officer: We now move to the open part of the debate. Due to overruns by

all the opening speakers, we will be able hear only two back-bench members.

16:29

Bruce Crawford (Mid Scotland and Fife) (SNP): It is a pity that the minister has gone. He used rather intemperate and unusual language this afternoon. To accuse the SNP of telling lies, when our briefing material comes from evidence given to us by the Post Office Users National Council and by the National Federation of Sub-Postmasters, is effectively to call those groups liars. Is Henry McLeish also calling his colleague in Fife, Rachel Squire, who has been campaigning on the issue, a liar?

I am glad to see that the minister has returned. His veneer of reasonableness has slipped badly this afternoon. His language has been that of a rough-house centre half who used to play for East Fife, rather than that of a responsible minister.

Henry McLeish *rose*—

Bruce Crawford: I will not give way to Mr McLeish. It is about time that he sat down and listened to other people for a change. He should sit on his bottom. His language today has been shocking. I can sum up his contribution quite clearly from his body language and from the words that he used: he feels that the Executive is losing.

As this important issue has unfolded, it has become clear to me that the bureaucrats and the technocrats have taken over the shop. It is now time for the politicians to get a grip and put an end to the damaging plans for our post offices. It has been clear for many years, including the years when the Tories were in power, that the Benefits Agency was determined, for technical and operational reasons and for reasons of fiscal rectitude, to introduce an automated credit transfer system. Politicians should be asking why a single Government agency, acting in its own interests, can be allowed to damage a huge national asset such as the Post Office.

Over the past few years, there has been a lot of talk about joined-up government. This is a prime case for ganged-up government. It is time that the rest of the UK Government, and Labour ministers in the Scottish Government, ganged up against the bully boys from the Department of Social Security. If ministers did that, Scotland might respect them a bit more. Unfortunately, it would appear from the terms of Henry McLeish's amendment that the Scottish Government is not prepared to stand up and be part of the gang to take on the bullies. Instead, we have heard words of comfort with no real substance. The minister's amendment states that

"all benefit recipients should be able to choose to have their benefit payments transacted by the Post Office".

Those are fine words, but they do not add up to a row of beans. Although the Secretary of State for Social Security has announced that there will be no compulsory move to ACT until 2003, the central question of whether the Post Office will be fully automated by then or will be able to provide an alternative banking facility has not been answered.

The Government says that it is responding to market conditions by creating choice for people, and we saw the minister brandishing his document this afternoon. However, that claim is not borne out by the facts. According to existing data, 80 to 85 per cent of current benefit claimants have bank accounts, yet as many as 70 per cent choose to receive cash payments through their post office. There is a variety of economic and social reasons for that, but anybody making an objective assessment of the statistics can see that the customers are voting with their feet.

The House of Commons Trade and Industry Select Committee has been examining the issue and some of its conclusions are quite interesting. The Secretary of State for Social Security told the select committee that

"the vast majority of new entrants into the system . . . are opting to go to ACT."

The committee did a bit of digging, and came up with this conclusion:

"We sought the latest figures on ACT for new benefit claimants. The image presented of a flood of new entrants opting for ACT is exaggerated. Most new pensioners are in fact *not* opting for ACT. Fewer than one in 10 income support recipients elect for ACT. Fewer than 1 in 3 of new benefit recipients opt for ACT."

The customers have made their choice and it is quite clear that they are not happy with what they see.

16:34

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): I am glad that many members have taken an interest in Ayrshire over the past few weeks, and I hope that they continue to do so. Now that everyone has got used to finding their way there, perhaps they will all come and spend their holidays there in the summer and contribute to the local economy, including that of the rural post offices and associated stores.

I represent a rural constituency and I do not need any lessons from anybody on the vital role that rural post offices play. I have had representations from a number of postmasters and postmistresses in Carrick, Cumnock and Doon Valley who were concerned about what these proposals might mean. We know that 95 per cent of people in the United Kingdom live within a mile of their local post office, but that only 60 per cent live within a mile of a bank; we know that 60 per

cent of rural villages have a post office, but that only 9 per cent have a bank; and we know that one in eight families do not have a bank account. We can therefore begin to understand why people are concerned.

I do not have a problem about debating reserved matters in the Scottish Parliament if they concern Scotland, but I am concerned about the way in which this debate has taken on a scaremongering tone. Factual information has not been presented.

Fergus Ewing *rose*—

Cathy Jamieson: No, I will not give way. I have only four minutes and I intend to use them wisely.

People in my constituency—the consumers as well as the postmasters and postmistresses—want to be reassured. They want to be reassured that people will still be able to receive their benefits in the post office. As was rightly pointed out, people do not want to queue up in the rain outside a cash machine and be charged for the privilege. Perhaps we should consider the role of some of the banks and financial institutions in that.

I have taken considerable time to read the recorded deliberations of the House of Commons on this issue. Henry McLeish has already spelt out what Stephen Byers said. Stephen Byers apparently had to spell it out several times, so—to assist the minister in getting the message over—I will spell it out again today. A clear commitment was given that people will continue to be able to receive their benefits in cash at the post office, in full and without any charges, until the introduction of ACT and afterwards. I do not know how much more clearly that can be spelt out.

Fiona Hyslop *rose*—

Cathy Jamieson: No, I have already said that I am not giving way.

We have heard today about social justice. I would like to say a couple of things about social justice in relation to the postal services. I bet that few people know what it is about, but clause 30 of the Postal Services Bill gives the secretary of state powers to direct the new postal services commission to impose, as a condition of issuing a licence, a requirement that the licence holder provide free postal services for the blind. That will ensure that people who require certain articles to be sent through the post, for example, large-print books, continue to get that service free. That is the kind of social justice that we are talking about.

Another kind of social justice is exemplified by today's announcement by the Minister for Finance in relation to village shops and post offices and in relation to the changes in mandatory rates relief. The announcement will benefit the rural post offices and shops that are the lifeblood of their communities. Please do not perpetuate the notion

that there will be home helps out in the street queueing up to collect the pensions of their elderly clients—it is simply not true. A commitment has been made that anybody who currently signs an authority for a third party to receive benefit on their behalf will continue to be able to do so.

I do not pretend to know the chapter and verse of that, but the commitment has been given, and I accept that that commitment was made in good faith. Frankly, if it is not delivered, I will have something to say about it. But let us get on and do the business; let us get that commitment delivered.

The Deputy Presiding Officer: We now move to closing speeches. I call Euan Robson to wind up for the Liberal Democrats.

16:39

Euan Robson (Roxburgh and Berwickshire) (LD): During last summer and autumn, my colleagues Archy Kirkwood MP, Michael Moore MP, Ian Jenkins and I visited a number of post offices in our two Borders constituencies to hear from practitioners what they felt about the Westminster Government's proposals for changing the way in which benefits were paid. We found that sub-postmasters and sub-postmistresses, and their regular customers, were profoundly concerned about the future.

As we know, many sub-post offices operate on the edge of viability. Many would close if the Government were to implement compulsory automated credit transfer for the payment of benefits. It has to be recognised, however, that even a partial loss of benefit transactions would threaten viability. I shall read the minister's opening speech carefully when the *Official Report* comes out, but I heard very little from him about levels of income for sub-postmasters and sub-postmistresses after 2003, and that is a critical point.

It is right to try to diversify and broaden business opportunities for sub-postmasters. However, in the Borders—and I am sure that the situation is similar elsewhere—those new types of businesses each earned less than £200 a year. That contrasts with the anticipated loss of £5,000 per annum that one postmaster in the south of my constituency said that he would suffer if there was compulsory ACT. There would be a haemorrhaging of his income even if some of his customers opted for ACT after 2003.

In the autumn, we conducted a survey of sub-postmasters and sub-post offices, the results of which my colleagues published last month. According to those results, 71 per cent of post offices in the Borders are in rural areas and serve small communities. Five post offices serve

communities with populations of 100 residents or fewer. I am sure that the situation is similar in the Highlands. Many post offices—67 per cent—are combined with a retail outlet, of which more than half are the only shop in the village. The footfall of those seeking post office services boosts the retail business.

The cumulative service to Borders communities is illustrated by the fact that more than half the sub-postmasters and sub-postmistresses have been serving their customers for more than 10 years. In addition, eight have served for more than 20 years and two have served for more than 40 years. Although all sub-postmasters believe that a significant proportion of their work would be lost if Benefits Agency work was removed, 75 per cent believe that they would lose more than 40 per cent of their work in those circumstances.

I stress again the fact that the loss of even a part of the Benefits Agency work could have a detrimental impact on the viability of a post office as a business. In the survey, 84 per cent of sub-postmasters indicated that the loss of Benefits Agency work, if the ACT transfer took place, would mean that their businesses would become unprofitable. Furthermore, as 58 per cent of sub-postmasters live on site, the loss of all ACT transactions could threaten their homes as well as their businesses. Even the loss of some ACT transactions would put those people's homes at risk.

Fiona Hyslop: Is Mr Robson reassured by what the Government has been saying, or does he agree with us that these points are facts and certainly not lies?

Euan Robson: I am partly reassured by what the Secretary of State for Trade and Industry said. For a while, the Westminster Government sleepwalked into a crisis. However, it has understood—because of representations from various quarters—that there is a significant threat to the rural post office network. We must not exaggerate that threat at the present time, but we must underscore the fact that the critical factor in all this is incomes for sub-postmasters and sub-postmistresses. What will their incomes be after 2003? *[Interruption.]* Forgive me for banging the lectern—I am unused to speaking from a lectern.

During the period of the previous Conservative Government, 4,000 sub-post offices closed. The rate of closure is currently about 200 per annum. We must reverse that trend. It is time to reverse decades of decline. The first thing to do is to recognise that the key factor is the income of sub-postmasters after 2003. We could also consider options for paying council tax through post offices. We could certainly consider expanding business opportunities. However, business opportunities are limited in areas such as Stichill and Eccles, in my

constituency, which I visited recently. There is no point in introducing a bureau de change there, as most of the clients are pensioners and single parents who have great difficulty in finding the money for transport to the nearest towns.

This has been a useful debate, but I appeal to Westminster to focus on income levels and customer service rather than on administrative savings.

16:44

Mr Keith Harding (Mid Scotland and Fife) (Con): I recently undertook a survey of sub-post offices in central and north-east Fife. It is a pity that Henry McLeish is leaving the chamber, as I am talking about his constituents. I want to talk about the fears and concerns of the sub-postmasters and sub-postmistresses in those areas. Many have taken out loans to secure the deposit that is required by the Post Office, as they thought that the purchase of a sub-post office would be a secure investment. Those people will now be in debt with their incomes greatly reduced and some might even become bankrupt if their businesses have to close.

If the Benefits Agency and the Government automate the payments of benefits into bank accounts, the results would be disastrous for most village post offices. Not only would the post office close, but there would be numerous effects on the surrounding area. Neighbouring shops would close, resulting in further job losses and leaving the public with no option but to shop in the town centre. The empty shop units would then become derelict and be vandalised.

The automation plans take no account of the many people who have no bank accounts and would not qualify for them. The main people who collect benefits are the elderly, who cannot get about as easily as others; in fact, many pensions are collected by home helps for pensioners who are housebound. What will happen to them? Furthermore, what will happen to the young and unemployed who have no satisfactory identification to open a bank account, and to the section of the community who might have a criminal record and would not get such an account? A large section of everyday people fall into those categories.

It is difficult to believe that banks want the type of account that those people would operate, with money going in and coming straight out again. It also seems unfair that the type of account that would be offered will incur a fee if the balance falls below £50. People on benefits are already on a tight budget and it is grossly unfair to be penalised anything from £5 upwards for operating an account in credit. No thought seems to have been

given to the opinions of the people whom the changes will affect and, after all, most of them have worked all their lives paying their stamp to earn their pension.

The Post Office currently has an on-going computerisation plan. The postmasters proposed a swipe card to replace benefit books, which would have reduced benefit fraud. That is running at about £5 billion a year, mostly through stolen and forged books. The present scheme is not the answer. It will close not only hundreds of post offices but countless local shops as people will spend their money where they collect their pensions and benefits. Although there might need to be changes to stop fraud, most fraud occurs at the Benefits Agency end with false claims and so on, not at post offices. If the Benefits Agency, the Government and the Post Office worked together, options could be found that would suit everyone concerned, most of all the general public.

The majority of the two thirds of post offices that responded to my survey said that they would lose more than 40 per cent of their income and many would face closure. One response said:

"It would be nice to think that the Government would listen to what the people want and not force them into something which is impractical and sometimes impossible for them."

My whole speech was derived from comments from sub-postmasters and sub-postmistresses in central and north-east Fife. I ask the Executive to allay their concerns and fears with early concrete proposals to ensure the viability of their businesses and to end the uncertainty that hangs over them.

16:48

The Deputy Minister for Rural Affairs (Mr John Home Robertson): Ceann Comhairle—I am not sure what that means, but it sounds rather better than Deputy Presiding Officer—having been an Opposition MP for quite a long time, I fully appreciate the attraction of a good scare story. However, I should gently tell SNP members that the job of an Opposition in Parliament is to try to scare the Government, not to stir up unnecessary alarm among pensioners and claimants. We have had a lot of that in this debate.

Fiona Hyslop: Will the minister give way?

Mr Home Robertson: No.

The SNP's approach was in marked contrast to the sensible debate initiated by David Mundell on 27 January on the same subject. A number of genuine and serious points have been made not only by John Farquhar Munro, Cathy Jamieson and Euan Robson, but by David Mundell and Keith Harding. I hope that I am not destroying the

reputations of those two men by saying so.

Before turning to those important points, I must deal with the merchants of panic on the SNP benches. I gather that, as Fiona Hyslop took the lead in this debate, she would be the postmaster general in an independent nationalist Scotland. Although she might have taken this opportunity to tell us a bit about the style and the cost of redesigned nationalist pillar boxes all over Scotland, I got the impression from her speech today that she might try to force all pensioners and claimants to collect cash from post offices whether they want to or not. So much for the rights of about half the new pensioners and child benefit recipients who prefer to receive payments directly into their bank accounts.

Fiona Hyslop: It is quite shameful that the minister treats the seriousness of this debate with such frivolity. Is the minister aware of the Communication Workers Union's report that, within his own constituency of East Lothian, 13 out of the 28 post offices rely on benefit payments? The minister talks about choice. Yes, we want to move to an automated system, but not one that is compulsory and not before the Post Office is ready to deliver it.

Mr Home Robertson: That is precisely the approach that is lacking. I wish that members of the SNP would listen to our proposals. Perhaps then we could progress to a constructive debate.

As usual, the nationalists tell us nothing about the cost of their proposal to force everyone to go on handling cash whether they want to or not. However, I presume that that will be another charge on the amazing, elastic penny for Scotland. I can assure Fiona Hyslop and her colleagues that the taxpayers of Scotland will count those pennies carefully.

David Mundell was fairly constructive, if I may put it that way. However, given that Fiona Hyslop referred to my constituency, I cannot let David escape the fact that there were five Crown post offices in the county when I was first elected for East Lothian. The Tories did away with four of them and let a number of village post offices go. So I will not take either of the Opposition parties terribly seriously in this debate.

However, I take the interests of pensioners and people who claim benefits very seriously indeed. We are committed to retaining and developing post office services throughout Scotland, particularly in rural areas. One third of the people of Scotland live in rural communities and this Executive has conveyed a strong and clear message to the UK Government about the importance of sub-post offices in those areas.

I must nail the big scaremongering lie about compulsory ACT, which we heard again today

from Fiona Hyslop and which is all over the press. There is no question of compulsory ACT. The Westminster Government gave an unequivocal undertaking that people who want to draw pensions and benefits in cash through their local post offices will be able to do so. It is as simple as that.

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP) *rose*—

Mr Home Robertson: I want to respond to the genuine and understandable concerns of sub-postmasters and sub-postmistresses by highlighting the new opportunities—[*Interruption.*]

The Deputy Presiding Officer: Can we have some order, please.

Mr Home Robertson: I will highlight the new opportunities that we will help sub-postmasters and sub-postmistresses to develop, so that they will be able to play an even greater role in the development of local communities throughout Scotland. We do not just want post offices to survive; we want them to thrive and to develop.

Alasdair Morgan: Will the minister give way?

Mr Home Robertson: I am sorry, but I do not have time. There will be other opportunities.

Henry McLeish explained the opportunities for new business for all Scotland's 2,036 post offices that will exist when they are connected to the Horizon computer system by the end of 2001 and when more automated teller machines are installed in post offices. This week, I received an interesting letter from a postmaster in my own constituency who made the case for the development of a new type of National Savings account as a way of promoting new banking services. That sort of innovation must be the way forward for our post offices.

The Deputy Presiding Officer: Wind up, please.

Mr Home Robertson: I welcome the fact that the Cabinet Office's performance and innovation unit is shortly to report on ways of developing the business of post offices. Scottish interests have been taken into account in that study.

Finally, I remind the chamber of the clear statutory safeguards for post office services that are built into the Postal Services Bill, which is going through the Westminster Parliament. The bill includes criteria for universal access to postal services and a powerful commission to protect the public interest. I also refer members to the Minister for Finance's comments today on rate relief.

We fully understand the fact that post offices provide lifeline services as the only local retail outlet in many neighbourhoods. That is why we are determined to work with them to develop a

modern network with a secure future that serves the developing needs of towns and villages throughout Scotland. We reject the irresponsible scaremongering of the nationalist Opposition in this debate.

The Deputy Presiding Officer: I call Alex Neil to close the debate for the Scottish National party.

16:54

Alex Neil (Central Scotland) (SNP): How long do I have, Presiding Officer?

The Deputy Presiding Officer: You have eight minutes.

Alex Neil: I first declare an interest on behalf of Fiona Hyslop and me. We are both from Ayr. Members know what Rabbie said about Ayr:

"Auld Ayr, whom ne'er a town surpasses,
For honest men and bonie lassies".

It seems from the debate that the Prime Minister, Tony Blair, is the only person who does not know where Ayr is.

I will discuss the fundamental problem that is faced by post offices and by the people who use them throughout the country. This is not scaremongering—the people who work in post offices, the people who own them and the people who use them have genuine concerns about the future viability of post offices both in rural areas and in peripheral housing schemes in urban areas.

There are two major threats to the future of sub-post offices. The first is the reduction in the income generated for post offices by their work on behalf of the Benefits Agency. As Euan Robson rightly said, between now and 2003 there will be a 90 per cent reduction—from 12p to 1p per transaction—in the money paid by the Benefits Agency to post offices for every transaction that they undertake on its behalf. Given that post offices in Scotland rely on Benefits Agency revenue for 40 per cent of their income, that is a substantial reduction in income for post offices and is a threat to their viability. As Euan Robson pointed out, many of those businesses are marginal. In rural areas, many of those businesses are not only post offices, but local village shops—both sides are required to make those businesses viable propositions. Loss of income is a major reason why people are worried.

Dr Sylvia Jackson: Will Mr Neil confirm that he said that the Post Office would get 1p for each transaction? That is a complete lie. What has been said is that the fee will remain the same for each transaction, or it might even be higher. One penny is the efficiency gain from the modernisation programme.

The Presiding Officer (Sir David Steel): It is

not a complete lie; it is an inaccuracy.

Alex Neil: It is not an inaccuracy, either.

The Presiding Officer: I simply rephrased the question.

Alex Neil: Stephen Byers, the Secretary of State for Trade and Industry, said that the Benefits Agency, over the next three years, will make that scale of reduction in payments per transaction to the post offices. That is a major threat to the income of the Post Office.

The second threat is the introduction of ACT. I take the point that has been made—that ACT will not be made compulsory at the moment. However, Labour's argument is, "Trust us, trust us; we will keep our word—we will never make it compulsory." Those are the same people who asked us to trust them on the privatisation of air traffic control. Before 1997, Labour said, "Trust us—we will never privatise air traffic control." One of the first things that Labour did when it got into government was break its word by privatising air traffic control. People are worried, because they know that this is a Government—in Edinburgh and in London—that they cannot trust.

Members should consider the implications for post offices of the projected loss of income—the loss is projected not only by the SNP but by postmasters and other independent organisations. As Euan Robson pointed out, when a local post office suffers a substantial loss of income the results are job losses and closure.

Members need only consider what happened when banks closed down. A report by Richard Willis, of the University of Newcastle upon Tyne, analysed the effects of bank closures during the past six years. His main conclusions were that the significant closures were in deprived areas—the same will happen with post offices. Post offices in deprived areas rely on the work they do for the Benefits Agency for up to 80 per cent of their income.

Mr Brian Monteith (Mid Scotland and Fife) (Con): Does Alex Neil agree that it is not only rural post offices that are important, but those in urban areas? I recently carried out a survey in the Stirling area that showed that post offices in Bannockburn would lose 90 per cent of their business, those in Causewayhead would lose 80 per cent and those in Raploch would lose 70 per cent. The postmasters told me that they would go bankrupt if that happened.

Alex Neil: I agree with Mr Monteith. The most needed post offices—those in deprived and rural areas—are most likely to close first because of their reliance on income from the Benefits Agency and the cost of running a marginal business in rural areas.

Tricia Marwick (Mid Scotland and Fife) (SNP):

Could I persuade Alex Neil to comment on a minister who accuses the SNP of scaremongering, but in whose constituency 40 per cent of the income of 10 of its 20 post offices is based on benefits? One of the people who have made representations on the matter is the executive officer of the National Federation of Sub-Postmasters who lives and works in Methil, in the minister's constituency. Will Alex also comment on that?

Alex Neil: The facts speak for themselves. The minister should have sat through the whole debate and listened to every speech that was made by members of this party before making such accusations.

The debate has focused on the worries of people who own, run and work for post offices, but we should consider the effect on people who use post offices. People who collect benefits from the post office include lone parents, unemployed people, pensioners, income support claimants and other low-income groups. We have had no guarantee that bank charges will not be levied on transactions in post offices—the issue is under discussion. Last week, banks south of the border announced that they were considering major new charges. Those charges would make a substantial dent in the income of a pensioner or an unemployed person.

The proposals are bad news for post offices, for rural communities, for urban areas, for claimants and for Scotland.

Census (Amendment) (Scotland) Bill

The Presiding Officer (Sir David Steel): I ask Tom McCabe to move motion S1M-649 on procedural issues. It replaces motion S1M-646 in the business bulletin and relates to stage 1 as well as to stages 2 and 3 of the Census (Amendment) (Scotland) Bill.

Motion moved,

That the Parliament agrees that (a), Rules 9.5.3, 9.6.1, 9.6.3, 9.6.4, 9.6.5, 9.6.6, 9.7.8 and 9.7.9 of Standing Orders should be suspended for the purposes of the meeting of the Parliament at which Stages 1, 2 and 3 of the Census (Amendment) (Scotland) Bill are taken, (b) that Stage 2 of the Census (Amendment) (Scotland) Bill be taken by a Committee of the Whole Parliament and, (c) directs that any vote to be taken during Stage 2 of the Bill in the Committee of the Whole Parliament shall be conducted using the electronic voting system.—[*Mr McCabe.*]

Subordinate Legislation

The Presiding Officer (Sir David Steel): I ask Tom McCabe to move motion S1M-647.

Motion moved,

That the Parliament agrees that the Scotland Act 1998 (Cross-Border Public Authorities) (Forestry Commissioners) Order 2000 be considered by a meeting of the Parliament.—[*Mr McCabe.*]

Decision Time

17:03

The Presiding Officer (Sir David Steel): The first question is, that amendment S1M-639.1, in the name of Sarah Boyack, which seeks to amend motion S1M-639, in the name of Bruce Crawford, on water charges, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harper, Robin (Lothians) (Green)
 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)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)

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

AGAINST

Aitken, Bill (Glasgow) (Con)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Hyslop, Fiona (Lothians) (SNP)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Mundell, David (South of Scotland) (Con)
 Neil, Alex (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is: For 64, Against 42, Abstentions 0.

Amendment agreed to.

The Presiding Officer: Because amendment S1M-639.1 is carried, amendment S1M-639.2, in the name of Murray Tosh, falls.

The third question is, that motion S1M-639, in the name of Bruce Crawford, on water charges, as amended, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harper, Robin (Lothians) (Green)
 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)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahan, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

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)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 Lyon, George (Argyll and Bute) (LD)
 MacDonald, Ms Margo (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)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 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)

ABSTENTIONS

Aitken, Bill (Glasgow) (Con)
 Douglas-Hamilton, Lord James (Lothians) (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)
 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)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is: For 63, Against 30, Abstentions 13.

Motion, as amended, agreed to.

Resolved,

That the Parliament recognises that the Scottish public water authorities need to make very significant investments to deliver the high quality, safe and reliable water and sewerage service that the Scottish public and Scottish business need; recognises also that Scotland must meet the standards to protect health and the environment laid down in European and national legislation; welcomes the additional external finance made available by the Scottish Executive for the water authorities in the recent spending round; notes that the current system already provides a degree of protection for the most vulnerable through the link to Council Tax banding; welcomes the review of these arrangements that has been announced; welcomes the Water Industry Commissioner's initiatives to increase efficiency, customer service and accountability in the water industry; and therefore endorses the strategic framework for the industry set out by the Scottish Executive in January.

The Presiding Officer: The fourth question is, that amendment S1M-638.1, in the name of Henry McLeish, which seeks to amend motion S1M-638, in the name of Fiona Hyslop, on the role of post offices, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 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)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)

Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Hyslop, Fiona (Lothians) (SNP)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Mundell, David (South of Scotland) (Con)
 Neil, Alex (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is: For 63, Against 43, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The fifth question is, that motion S1M-638, in the name of Fiona Hyslop, on the role of post offices, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brown, Robert (Glasgow) (LD)
 Canavan, Dennis (Falkirk West)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)

Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 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)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Sheridan, Tommy (Glasgow) (SSP)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 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)

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)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

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)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacDonald, Ms Margo (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)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (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)

The Presiding Officer: The result of the division is: For 65, Against 14, Abstentions 27.

Motion, as amended, agreed to.

Resolved,

That the Parliament acknowledges the vital importance of post offices to the economic and social fabric of Scotland; notes the commitments given by the UK government on maintaining a nation-wide network of post offices for the benefit of communities in Scotland; supports the increased commercial freedom being given to the Post Office to develop new products within the public sector; acknowledges that all benefit recipients should be able to choose to have their benefit payments transacted by the post office, and urges the UK government to maintain a network of Post Offices and offer reassurances to sub-postmasters and postmistresses through a positive programme of continuous improvement and expansion of services.

The Presiding Officer: The sixth question is, that motion S1M-649, in the name of Tom McCabe, on procedural issues in relation to the Census (Amendment) (Scotland) Bill, be agreed to.

Motion agreed to.

That the Parliament agrees that (a), Rules 9.5.3, 9.6.1, 9.6.3, 9.6.4, 9.6.5, 9.6.6, 9.7.8 and 9.7.9 of Standing Orders should be suspended for the purposes of the meeting of the Parliament at which Stages 1, 2 and 3 of the Census (Amendment) (Scotland) Bill are taken, (b) that Stage 2 of the Census (Amendment) (Scotland) Bill be taken by a Committee of the Whole Parliament and, (c) directs that any vote to be taken during Stage 2 of the Bill in the Committee of the Whole Parliament shall be conducted

using the electronic voting system.

The Presiding Officer: The seventh question is, that motion S1M-647, in the name of Tom McCabe, on the Scotland Act 1998 (Cross-Border Public Authorities) (Forestry Commissioners) Order 2000, be agreed to.

Motion agreed to.

That the Parliament agrees that the Scotland Act 1998 (Cross-Border Public Authorities) (Forestry Commissioners) Order 2000 be considered by a meeting of the Parliament.

International Women's Day

The Presiding Officer (Sir David Steel): The final item of business today is a members' business debate on motion S1M-557, in the name of Patricia Ferguson, on International Women's Day. The debate will be concluded, without any question being put, after half an hour. I invite members who wish to speak to press their request-to-speak buttons now, or as soon as possible, so that we can see how many members would like to take part. I see that it is a goodly number.

I ask members who are not staying to leave quietly.

Motion debated,

That the Parliament notes that 8 March is celebrated as International Women's Day, recognises the important contribution made by women to all aspects of Scottish life and, in doing so, acknowledges the progress made towards women's equality and the need to ensure that any programme of government responds to the aspirations of women.

17:08

Patricia Ferguson (Glasgow Maryhill) (Lab): All the male members of the Parliament are welcome to stay for the debate.

As members know, today is International Women's Day—a day that women throughout Scotland and much of the rest of the world will celebrate as their day. It is also the 90th year in which we have celebrated International Women's Day, which was first suggested by Clara Zetkin at the Socialist Women's International in 1910.

Our celebrations will take many forms and will highlight the diversity of women's lives and experiences by bringing together women from different cultures. A number of events are going on in my constituency—which is not surprising, given that we have a female MP, a female MSP and several female councillors. I was very pleased to open the Possilpark International Women's Day event, which took place this morning. I would also like to mention the Ruchill and Milton unemployed and community resource centres celebrations—events that are going off with some style. My friend Sandra Macdonald in Aberdeen has also asked me to mention her event, but I promise that it will be the last one that I will mention.

Today, for one day only, buildings on Glasgow University's campus—in Pauline McNeill's constituency—that bear the names of famous men will be renamed in honour of their less celebrated but equally remarkable sisters.

Half the members of the Scottish Labour group

in this Parliament are women—a proportion that I hope will go up shortly. I had not planned to refer to the by-election, but as many other members have done so, I thought that I would. Given the proportion of Labour members who are women and the fact that just over one third of the total membership of the Scottish Parliament is female, it seems fitting that we, too, should mark International Women's Day. I hope that we can use the debate to celebrate the contribution of women to the life of Scotland, and to recognise that there is still much to be done.

What has the Scottish Parliament done for women? It has made available additional resources over the next three years to help local authorities to implement the child care strategy. Through the new opportunities fund, it is helping to create additional out-of-school care places for Scotland's children. It is also funding a programme that assists families in rural areas with their child care needs. In women's health—an area that is near to my heart—it is committed to creating an additional 80 one-stop breast clinics by 2002 and has issued new guidelines to general practitioners to help to speed up the diagnosis of breast cancer. Child health and maternal health, too, have been made a top priority, and initiatives have been introduced to improve diet, increase the level of breast-feeding, and encourage pregnant women to give up smoking.

The Executive is working to increase the representation of women in public appointments. In January it launched a consultation paper, "Towards an Equality Strategy", to ensure that equality issues are at the heart of policy making, and that the representation of people with disabilities and people from the ethnic minorities is widened, particularly in the senior civil service.

The Parliament is also working with the Women's Aid movement to support victims of domestic abuse. I am sure that we can rely on the Equal Opportunities Committee to maintain a watching brief on all the Government's policies, to ensure that they have women's needs and aspirations at their core.

However, the picture is not all rosy. It is 30 years since the passing of the Equal Pay Act 1970, yet women are still paid less than men in equivalent jobs. Perhaps the moral of this story is that if we want to prepare our daughters for work, we should give them less pocket money than we give our sons—I hope that that is not the moral.

There is a long way to go, but I believe that we have started well and that our Scottish Parliament is now on a long march towards a more equal society. Wherever I go in my constituency, the majority of community activists are women, so why do so few women make the transition from activist to elected representative? I think that many

women who would not or could not consider standing for elected office at the moment might do so if they were given the chance and if there were a proper framework of support. The timing of meetings and the structure and culture of authorities need to be more women and family friendly.

Our Parliament must offer to women in all the communities of Scotland practical policies that will enable them to realise fully their potential. Such a release of talent can only serve the cause of a better, and more prosperous, tolerant and equal Scotland.

Much has been said about our Parliament being open and accessible. It should be not just physically accessible, but accessible in that its policies lead to a more open and just Scotland. I hope that the Parliament—in particular its women members—will campaign to ensure that all women can achieve their potential. If we do not, we will squander a tremendous opportunity.

If we succeed in that endeavour—I believe that we must—future generations of Scots will find that the buildings of our universities are named after Scotland's women as well as her men.

The Deputy Presiding Officer (Mr George Reid): Unfortunately, not all members who wish to speak will be called, but if speeches are kept to just over two minutes, we will hear from as many as possible.

17:14

Trish Godman (West Renfrewshire) (Lab): Today, on International Women's Day, it is entirely right and proper that we should debate the role that women have played and continue to play in a range of occupations and vocations that would have astonished my mother and her generation. To see women from Govan in a Scottish Parliament would have cheered her radical spirit.

We acknowledge the contribution that women now make in politics, law, education and elsewhere. I am delighted to tell the Parliament that in Inverclyde, five out of eight of our secondary school head teachers are women—that is the highest percentage in any education authority in Scotland. Furthermore, Gateside women's prison has a woman governor.

Throughout the UK, women have come to the fore in politics; there are women politicians even in that male bastion, Northern Ireland. I want to commend the role that the Northern Ireland Women's Coalition was beginning to play in the Northern Ireland Assembly. When the suspension of the Assembly ends—I am sure that we all hope that it will—I know that, despite the fact that there are only two of them, Monica McWilliams and

Jane Morrice will continue to be important decision makers. I hope that, one day in the not too distant future, many more women will take part in the Assembly. However, Monica would be the first to remind me that many women have played their part in the peace process, on the ground and in bringing the communities together.

Other unsung heroines are to be found here in Scotland. What would we do without Women's Aid and the women who put themselves at the forefront of the fight to protect the victims of abuse? Last week, Johann Lamont secured a members' business debate about the women who support those who suffer from drug abuse. We cannot even begin to think of the pain that they must go through.

Elsewhere in the world, women have fought and continue to fight for peace, justice and equality. In some cases, cruel despotic tyrants and their security and armed forces have subjected them to rape, torture and even death. Tomorrow we will see—as we have seen many Thursdays before—los madres des jeuves in the main square of Buenos Aires, holding photographs of their missing sons, husbands and brothers, pleading with the state to find out where they are, so that at least they can be given a decent burial.

Today, we think of Aung San Suu Kyi, who is still under house arrest in Burma. Her husband died in the United Kingdom while she was under house arrest. She tells us that the regime cannot take her freedom away from her heart, mind and soul. Her spirit and inspiration are a lesson to us all.

There is still much to do. We in the Scottish Parliament have a responsibility to encourage women to replace us when the time comes. The social empowerment of women has made positive changes, but the economic empowerment of women lags behind. Today, Wendy Alexander, the Minister for Communities, has said that it is her goal to ensure equal pay for women.

I thank Patricia Ferguson for securing the debate. We women have made a difference in the Parliament. However, we have a long way to go. I say to women out there that if they want it, they should go for it. If I—a granny—can do it, so can they.

The Deputy Presiding Officer: I call Dorothy-Grace Elder and afterwards, in the spirit of inclusion, I will call Jamie McGrigor.

17:18

Dorothy-Grace Elder (Glasgow) (SNP): Thank you, Presiding Officer. Everyone in the Parliament is delighted that one third of our Presiding Officers is female. I thank Patricia Ferguson for initiating

today's debate.

As Patricia's motion suggests, we must move matters on and guard against mere gestures. Every so often, I go to Russia as part of a children's campaign. One year, I arrived during International Women's Weekend. I was terribly impressed that they had a whole weekend—or so the men told me. The men told me that they did all the work for the women, who rested for the weekend. That night, I went to a café. A waitress appeared and told me that there was no food. I asked for a beer and she told me that there was no beer. I asked why. She told me that it was International Women's Weekend, and the women drove the beer trucks and food supply wagons. I said that I had been told that the men took over. She said that that was what they told the women every year and then did not turn up. It is blokes sans frontières.

There is a danger that we make only gestures. I am anxious to see International Women's Day marked by practical actions—as I am sure are other members. I turn again to the subject of abuse, where we really can help. I appeal to the Parliament to help Women's Aid and the 9,000 women and children who are turned away from refuge places. I appeal to members to think not of glass ceilings and careerism, but of the women who are chucked through windowpanes. That is the sort of woman I deal with only too often. We can help at an everyday level.

There is a danger in what I call committee feminism. I am a feminist, but a grassroots one, like so many other members here. We all need all women to look out for and help their sisters in a practical way. That does not always happen. We all know a few fake feminists here and there, who might mutter politically correct platitudes and get awfully uptight about some guy calling them "hen". When another woman needs help, however, such fake feminists tend to vanish. They should be the first people women can turn to, however: their own sisters. They might turn a blind eye to a neighbour's brutality, because he happens to be a nice guy to them, and they somehow ignore the screams through the walls.

Such women can sometimes also turn a blind eye to workplace bullying. This is why I am one of those women who is trying to institute an anti-workplace bullying movement within the Parliament: I believe that we can take a lead and help the many thousands of women who are bullied at work in an everyday, and quite dreadful, sense. I have the backing of Tim Field, a prominent member of the anti-workplace bullying movement, and of Sandra Brown in Scotland.

Let us move forward and please let us all be whistleblowers on every single injustice that we see done to our sister women.

17:21

Mr Jamie McGrigor (Highlands and Islands)

(Con): I commend Patricia Ferguson's motion, recognising International Women's Day. Despite its being only one day on which women are acknowledged, it is important to note that women are an integral component of society each and every day. International Women's Day represents an opportunity to draw attention to women's issues and to the progress being made towards women's equality.

"International" means women in areas all over the world, especially those persecuted ladies in Afghanistan and Somalia. Today also provides the occasion to examine women's role in the workplace.

The Scottish Parliament has dedicated itself to following the recommendations of the consultative steering group report, by endorsing equal opportunities for all. The Scottish Parliament has one of the highest proportions of women members in the world, has worked to become family friendly, and has established the Equal Opportunities Committee to scrutinise legislation.

Nevertheless, it is equal opportunities that should be pursued, not positive discrimination. The Labour party has taken steps to guarantee gender balance. However, the only way in which it could accomplish that was by a system of quotas, subsequently known as the 50:50 option. The establishment of that policy assumes that there is an intrinsic difference between men and women, which can be solved only through contrived procedures, not through skill alone. While its goals are admirable, such a policy is inherently patronising towards women, insinuating that women need special privileges to achieve what men can achieve otherwise. We already have a qualified female work force capable of competing with their male counterparts for jobs.

Karen Gillon (Clydesdale) (Lab): Will Mr McGrigor give way?

Mr McGrigor: I do not have time.

Women want to earn positions based on merit, not on special privileges.

Karen Gillon: Will Mr McGrigor give way?

Patricia Ferguson rose—

The Deputy Presiding Officer: The member is not giving way.

Mr McGrigor: Attention is better focused on discrepancies between men and women in the workplace, such as pay inequality and inadequate child care provision. Quotas are not necessary, nor are they the answer.

The Americans have taken a step in that

direction: they have done away with affirmative action in some states. In 1996, California voters chose to eliminate positive discrimination in employment, education and public contracting on the basis that it was reverse discrimination. The governor of Florida, Jeb Bush, announced plans to end affirmative action. Those state Governments no longer see personal characteristics such as gender, race, disability or religion as an integral factor in formulating policy, nor should the Scottish Parliament.

Another issue facing women in the workplace is the glass ceiling. The phrase was coined in the media to describe the barriers against women gaining executive and upper-level positions. Margaret Thatcher, not noted for being held back, once said:

"People think that at the top there isn't much room. They tend to think of it as an Everest. My message is that there is tons of room at the top."

I believe that we should take note of that former Prime Minister's remarks. She achieved her post not through a handout, but through her own initiative and experience.

Let us not perpetuate the myth that women cannot compete without special preferences. Let us embrace International Women's Day, not merely as an occasion to recognise women's achievements, but as a day when we can consider what can be done further to achieve equality. We cannot really honour International Women's Day until such a day is not needed.

17:24

Ms Margaret Curran (Glasgow Baillieston) (Lab): I thank Patricia Ferguson for introducing today's debate. Jamie McGrigor is a brave man—if he thinks that Labour women MSPs are patronised, perhaps he should spend a bit more time with us so that we can assure him that we are not. I dare any man in the chamber to patronise me.

International Women's Day is a cause for both celebration and concern. We celebrate by recognising the achievements of women, such as increased political representation and the efforts—already acknowledged—of the women who hold communities together. However, we have concerns about the pay gap and the fact that domestic and sexual violence continues. We know—I speak personally here—about the exhaustion of women who play the dual role in society.

Profound concerns such as those have stimulated action and struggle for centuries. We began the 20th century with women engaged in the struggle for the vote, and ended it with women engaged in the struggle for political representation,

in which, undoubtedly, the Scottish Parliament has played a part. I make no apology for being on a women's platform and for fighting for that platform over many years.

My experience, in the early days of the Parliament, renewed my commitment to that platform. Lest we forget, women were seen as easy targets and a few women were singled out for criticism, despite the fact that that criticism was undeserved. Women were invisible—programme after programme in the media gave the impression that there were very few women in the Scottish Parliament; every time that I watched a programme, a succession of men were interviewed. We also had the good old double standard when newspaper columnists talked about women's weight and looks. We are very far from the equality that Mr McGrigor spoke of; we still face the same old issues.

We face hostility when we demand attention for the subtle, pervasive and institutional forms of discrimination. We still have problems in identifying and naming the problem. Gender is the new buzzword. We talk about gender all the time but, as the Zero Tolerance evidence to the Parliament demonstrated, we have to start naming the gender. If we do not grasp the issue properly, we will not resolve it properly. There is gender difference in society, but it is to the disadvantage of women. We should not apologise for our commitment to women's issues and we must recognise and explore sustained inequality across a range of women's experiences.

I will not apologise for any commitment to feminism. The feminist movement has been one of the most progressive, radical movements in the world. I remind Dorothy-Grace Elder of one of the first principles of feminism: do not blame other women, when men have delivered the sustained attacks. I am reminded of Rebecca West, who said—I will paraphrase slightly—"I'm not quite sure what feminism is, I only know that's what I'm called when I express sentiments that distinguish me from a doormat." We must ensure always that we continue to challenge women's experiences in the circumstances in which they find themselves. International Women's Day is a key day in the political firmament to reinforce that message.

Since I came to the Parliament, I have broadened my horizons. I spent many hours, months and years challenging many men in the Labour party—some of them are probably here today—but I see now that the problems exist in other political parties. I now have many more candidates for the wonderful phrase, "Behind every successful man stands a surprised woman." Today is not the day for complacency. The Scottish Parliament is at the forefront of pioneering political representation and investigating new ways

of involving women. Undoubtedly, it will invigorate the political system. We should be proud of that, but we still face severe and profound problems across the spheres of work and education, where violence, poverty and hopelessness are too often a feature of too many women's lives. We have values and ethics that degrade and humiliate women and girls.

The Parliament was established to create change, not as defined and articulated by—and delivered for—men, but for all women. Let today be the start of our commitment to delivering for all women, in particular those who are most dispossessed.

17:29

Nora Radcliffe (Gordon) (LD): International Women's Day is a useful device that enables us, once a year, to take stock of where women stand in the world. We can look back to where we were, look round at where we are and look forward to a better, more equal, more inclusive and fairer future.

I want to mention a small group of women who can look back to where they started two years ago, take pride in where they are now and look forward to the Parliament delivering the change in the law for which they are campaigning. The change will extend the legal protection that is now available only to married women to all women threatened with violence. Enough is Enough is the collective name for six young women who know from painful experience the exact human cost of the gaps in the law protecting women from violence by partners and ex-partners. Four of those young women were in the gallery earlier today. I pay tribute to them.

The effect of domestic violence is not just physical pain; the mental effects of loss of self-esteem and confidence are well documented. Those four young women and the two others, with the support of a local community education worker, who was also here today, decided that enough was enough and started a campaign to have the law changed. In doing so, they wanted also to change the attitudes of law officers and society at large. They have seen results. Grampian police have made improvements in the way in which domestics are handled.

The women have campaigned and organised, talked to people, written letters, held conferences, highlighted the problems and campaigned for effective solutions. Along the way, they have discovered what they can do—what their abilities are. Well done to them. I hope that they keep up the pressure and keep the issues on the agenda until they get the law that they deserve. Once they do, they will have done it for themselves, for other

women and, as they said to me earlier, for their daughters and our daughters. I thank them. I hope that they will be able to join us again to see us vote in the law for which they are campaigning.

17:31

Linda Fabiani (Central Scotland) (SNP): The women of East Timor have suffered greatly over the past quarter century. They have watched as their fathers, husbands, sons and lovers died for the cause of freedom. They have watched their children starve and their teenagers flee the country as political exiles. They are still counting the cost of that freedom as they await the return of their families from camps in Indonesia. In addition, the women of East Timor have suffered gender-specific crimes—systematic rape, enforced nudity and sterilisation.

The only women's rights agency in East Timor has now reopened in Dili. It is run by local women, who have decided to mark International Women's Day for the first time ever in their independent country. I ask women MSPs in our new Scottish Parliament to show their support for the work of that women's rights agency. I have e-mailed all women members the details. Please send them a message.

17:32

The Deputy Minister for Communities (Jackie Baillie): Sisters, on behalf of the Executive, I welcome this debate on International Women's Day and echo the thanks to Patricia Ferguson for initiating it.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): There are brothers here too.

Jackie Baillie: There are indeed some—I concede that—but I am disappointed to say that I would not count them all as my brothers. [*Laughter.*]

This day is intended to symbolise how far women have come in their struggle for equality, peace and development across the world. It provides a clear opportunity for women to unite, to network and to mobilise for meaningful change. However, what lies behind those words?

Women's inequality damages all societies. It represents a huge loss of potential, the costs of which fall on men as well as women. The Scottish Executive understands that and we are determined to do all that we can to promote equality of opportunity for all. As Susan Anthony said way back in 1897, there will never be complete equality until women themselves help to make the laws and elect the lawmakers.

So, how far have we come? We have 48 women

MSPs, which is 37 per cent of the Parliament. We have achieved critical mass, but what is important is what we do now. We must build on the work of women in the past, such as the Pankhursts, because not only can we now elect the lawmakers; we are the lawmakers.

It is not enough, however, for us just to be here. We must ensure that we deliver and impact positively on the lives of ordinary women throughout Scotland and throughout the world. As part of our contribution to marking International Women's Day, ministers have announced a number of initiatives that address women's concerns.

In addition to the new £8 million package of funding to tackle domestic violence, earlier today I announced the establishment of a national helpline. The line, sponsored by Thus plc, will offer a vital service to victims of domestic abuse. The service will be available not just when we run advertising campaigns, but 365 days a year. That is just a beginning. The Executive will continue to do what is necessary to raise awareness of the scale and nature of the problem and to ensure that women are offered all necessary protection. I also announced that Lesley Irving would be joining the Scottish Executive on secondment from Scottish Women's Aid, initially for a year. Lesley's experience will be very useful in driving forward our programme to deal with violence against women and in preventive work, especially with younger people, with whom there is the potential to create a long-term positive impact on attitudes to domestic abuse.

This morning Henry McLeish announced new funding of £1 million to extend a micro-credit scheme for women entrepreneurs across the Scottish Enterprise network. Small businesses are an important part of Scotland's economic prosperity and it is vital that we encourage more women to set up their own businesses. That funding will, I hope, assist in removing some of the barriers that women face in accessing start-up finance.

In promoting equal opportunities, we must ensure that, as an employer, the Scottish Executive is setting a positive example by developing a balanced work force. Jack McConnell, the minister with responsibility for modernising government, today reaffirmed the Executive's commitment to ensuring that it is among the leaders in equal opportunities practice in Scotland.

Sam Galbraith has outlined what the Executive is doing to help mothers back into work. One example is the Childcare Link, a freephone information line that provides general advice and information on child care issues and that will give parents the information that they need to make

informed choices about child care. Sarah Boyack has announced that the Executive recently commissioned research to explore how the transport system meets or fails to meet the needs of women and to identify practical solutions to make transport more accessible and safer for women travellers. Wendy Alexander announced that the Scottish Executive was helping to publicise the Scottish Trades Union Congress conference "Valuing Women in Work", which will focus on ensuring that the STUC's campaign for advancing women's position in the workplace reaches as wide as possible an audience.

The pay gap between women and men begins at age 20 and widens thereafter so that a 50-year-old woman—this is what I can look forward to—can expect to earn only half as much as a man of that age. If we are to create a society that is based on social justice, we must ensure that such issues are addressed.

The Executive is committed to improving Scotland's health; initiatives are being progressed by Susan Deacon on a number of fronts. One of our main priorities is tackling the health of women and young children through breast screening clinics and through working to reduce the proportion of women who smoke during pregnancy—the list goes on.

From the contributions to the debate and our own experiences as politicians—and, more important, as women—we recognise that women experience discrimination and inequality in a range of areas. As Margaret Curran said, we must not be complacent. Although much is being done, we all recognise that there is a great deal more to do. We need to start here, thinking not just about what we do for women in Scotland or across the UK and the world, but about what we need to do to change the attitudes of men, including some men in this Parliament.

The Executive sees equality as central to its work in developing a fairer, more inclusive Scotland. It is not an add-on or an optional extra. We need to ensure that equality is at the forefront of the minds of every policy maker, legislator and service provider.

We have come a long way since the days of the suffragettes. We have universal franchise, the Sex Discrimination Act 1975 and the Equal Pay Act 1970, but we have the opportunity in this Parliament to build a Scotland that is characterised by social justice and equality. As Harriet Beecher Stowe wrote, women are the real architects of society. We owe it to the women of Scotland, and we owe it to our daughters, to build a society in which all women can play an equal part.

Meeting closed at 17:41.

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