

MEETING OF THE PARLIAMENT

(ABERDEEN)

Wednesday 29 May 2002

Session 1

£5.00

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Scottish Parliament

Wednesday 29 May 2002

[The PRESIDING OFFICER *opened the meeting at 09:30*]

Oil and Gas Industry

The Presiding Officer (Sir David Steel): Good morning. The first item of business is a debate on the oil and gas industry. I should tell members right away that the debate is heavily oversubscribed. As a result, the Presiding Officers ask that members who want to take part press their request-to-speak buttons now, because what matters are the names on the list, not the names on the advance notice. We know from the start that it will not be possible to call everyone. I also appeal to the opening speakers to cut the time of their speeches.

Fiona Hyslop (Lothians) (SNP): On a point of order, Presiding Officer. Will you explain the procedure behind the selection of amendments to the motion, in particular the selection of an amendment to an amendment? Is this the first time that an amendment to an amendment has been selected in the Parliament? Furthermore, will you explain the voting procedure and tell us at what point we will have to vote on what amendments to what amendments?

The Presiding Officer: I am sorry: the member is wrong. This is not the first time that we have had an amendment to an amendment. Furthermore, I never explain the reasons behind the selection or non-selection of amendments, because otherwise we would spend a lot of time every day doing so.

We must proceed, because we are short of time. I call Iain Gray to speak to and move motion S1M-3155, in the name of Lewis Macdonald.

09:32

The Minister for Enterprise, Transport and Lifelong Learning (Iain Gray): The location of the debating chamber makes no difference to our ability to govern the length and breadth of Scotland, but I wanted this debate to be held here in Aberdeen, the energy capital of Europe, because it provides an opportunity to debate the oil and gas industry's considerable contribution, not just to the economy of the north-east but to the whole of Scotland. More than that, it gives us a chance to debate the potential for Aberdeen and the energy industry to prove themselves exemplars of how Scotland can make itself both

smart and successful.

We can achieve that by driving innovation through science and skills; creating growth through the combination of research and commercialisation; and building an industry on ideas and entrepreneurialism. The industry and this city are at the cutting edge of Scotland's 21st century economy.

Oil and gas has a future in Scotland for many years to come. There remains as much oil and gas in the North sea as has already been extracted. However, we will fail future generations if we do not prepare and plan for the time when fossil fuels run out. We can open enormous opportunities for Scotland's economy, and we have within our grasp the chance to be a world leader in the development and generation of renewable energy.

Scotland's future economic development must be sustainable if we are to leave a smaller imprint to future generations. We know that a much greater proportion of our future energy needs must be met from renewable sources. The very nature of our country means that we are almost uniquely placed to diversify our oil industry's knowledge and expertise into the emerging renewables generation industry.

It is 640 years since the Parliament met in Aberdeen. That might be only the blink of an eye in the geological time that the oil and gas industry sometimes works in. It is, however, a long time in this city's proud history, which stretches from its early beginnings as a fishing settlement, through its status as a university city, to being a player in the industrial revolution and its present position as oil capital of Europe. Furthermore, a strong and diverse north-eastern culture, from the great universal themes of Lewis Grassie Gibbon's literature to—and it hurts me to say this—the great European exploits of Aberdeen Football Club has gone out to build an international reputation.

The ideas and skills in the north-east have reached out into the world. However, the discovery of North sea oil and gas in the 1960s has made Aberdeen what it is today. The first North sea oil arrived onshore in 1975 and, for 30 years, the economy of Aberdeen and the north-east has thrived on the development of the offshore oil and gas industry.

Now there are 900 oil-related firms in the north-east of Scotland, serving all stages of oilfield development: exploration, development, production and maintenance, and more recently, decommissioning. In the north-east of Scotland, 23,000 people work in onshore oil and gas-related jobs, with another 18,000 offshore jobs.

Richard Lochhead (North-East Scotland) (SNP): Will the minister explain why, when more than 90 per cent of UK oil and 52 per cent of UK

gas comes from Scottish waters, only 31 per cent of UK offshore jobs are based in Scotland?

Iain Gray: The oil and gas industry looks out from Aberdeen into the world. We must grasp the great opportunity to build those companies that are based here in Scotland so that they can provide equipment and services for the oil industry, not just in the North sea, but all around the world. There are good examples of how we can do that.

The industry has brought prosperity to Aberdeen and the surrounding towns and villages. Low unemployment, high employment, high consumer spending, a construction boom and opportunities for investment make Aberdeen a great place to live, work and study. However, the industry also brings problems and challenges. There is pressure on infrastructure, social differences are exacerbated and house prices are high. We must face those problems by working with the oil and gas industry.

Andrew Wilson (Central Scotland) (SNP): Does the minister accept that another problem facing the industry is the fiscal regime within which it operates? Does he believe that this Parliament should express a view on that fiscal regime or that it should, like the Liberals, stay silent?

Iain Gray: This Parliament and Executive do not have power over the fiscal regime, although we have something like a 40 per cent tax take, which continues to compare favourably with countries that the SNP often uses as exemplars. In Norway, for example, the tax take is 88 per cent.

The contribution to the wider Scottish economy of the wealth and prosperity generated by the oil industry cannot be underestimated, with 110,000 jobs—6 per cent of our work force—in employment related to oil and gas production. The benefits of the industry will continue, as only half of the oil and gas reserves have been extracted. The only way to support that process and maximise production is in co-operation with the industry: Government and business must work in partnership to secure the continued success of Scotland's oil and gas industry. The forum for that partnership is Pilot, which has Lewis Macdonald as its vice chair. Lewis will say more about that later.

The most pressing concern for the industry is the potential for a serious skills gap in the labour market. The existing work force is highly skilled, but we know that 50 per cent of current offshore workers were approaching the age of 50 two years ago and that the situation is predicted to get worse. We must take action to recruit more young workers into the industry and to equip them with the skills and knowledge that will retain our global competitive edge. It is a hugely important industry

and we must make it an attractive one for young people to work in.

Marilyn Livingstone (Kirkcaldy) (Lab): I agree with the minister's point about the skills gap, but will he say more about how we can attract women into high technology, engineering and science fields?

Iain Gray: The work of delivering improvements in skills and attracting young people to the oil industry is being led by Cogent, an important and powerful sector skills council. Marilyn Livingstone makes an extremely important point. If we are to develop the potential of our oil and gas industry, based here in Aberdeen, we must develop the potential of all those who have skills to offer. In the past, we have been bad at attracting women into the industry. That is our loss and the industry's loss, and attracting more women to such jobs must be a priority.

Cogent brings together the disparate threads of the upstream and downstream parts of the industry, and was one of only six emerging sector skills councils to be awarded trail-blazer status. The whole industry now benefits from a dedicated sector skills council, which is based in Portlethan and which will set the future direction of skills and training within the industry. Cogent, with Government and industry support, will help to bridge the skills gap and influence the effective delivery of relevant learning and training. That partnership approach can show a lead to other sectors of the Scottish economy facing similar skill shortages. That is exactly what must be done to prepare Scots for tomorrow's jobs.

However, if the north-east is to obtain maximum benefit from the opportunities that are available, we need to take account of the fact that supply opportunities are changing. In the long run, we must rely on more sustainable renewable energy sources. In April, Ross Finnie introduced the Renewables Obligation (Scotland) Order 2002 (SSI 2002/163), which is already creating a massive demand for new and clean sources of energy. He has worked extremely hard to put the obligation in place and his passion for and commitment to renewables is shared by all of us in the Executive. We now want to consider the potential to expand our output of renewable energy to at least 30 per cent, and even beyond that. The target is ambitious.

Bruce Crawford (Mid Scotland and Fife) (SNP): I am glad that the minister recognises the potential of renewable energy in Scotland. Does he condemn the fact that, since the Blair Government came to power, there has been a 50 per cent reduction in spend on research and renewable development funds that are available for the renewables field?

Iain Gray: Our support for renewables is demonstrated by the renewables obligation order, and even more by the fact that we want to consider pushing the output target beyond 30 per cent. Such targets drive the effort that we must put in. That is the agenda that has been set. The target is ambitious, but some key elements are already in place. The market is ready, the legislative framework is right, the resource is plentiful and the economy is ready to welcome the concept of sustainable businesses.

Scotland's oil and engineering businesses have already proved their ability to meet new challenges and exploit available opportunities in the difficult and marginal fields of the North sea. They are well placed to take advantage of the tremendous synergies between the oil and gas and renewables sectors. Renewable energy equipment manufacture provides a key opportunity for diversification in the UK offshore oil and gas industry.

Scotland's potential for generating renewable energy is renowned. We have the capacity to meet our own energy needs twice over from wind power alone. We are home to the world's leading innovators and developers of marine energy technology and our academic research base in the field is second to none.

The boom in renewable energy provides Scotland with an economic opportunity that mirrors the arrival of North sea oil 30 years ago. We must exploit that opportunity. Major players such as Shell and BP have already voiced their commitment to renewables development. They believe that the manufacturing requirements of the renewables industry for onshore and offshore wind turbines and marine energy devices can be met in large part by the skills that have been built up in the North sea oil and gas industry. We know of one oil company that has plans to develop a major offshore renewable energy project in the Moray firth. That demonstrates the industry's belief that diversification is a real and viable option. Members know that we have been working closely with partners to establish a marine energy test centre in Orkney. Ross Finnie will make a further announcement on that shortly.

The links to our vision of a smart, successful Scotland achieved by growing businesses and global connections are crystal clear. Research, innovation and knowledge are the key to our success. The strength of our academic research base is a clear advantage over many of our international competitors. Aberdeen itself has two renowned seats of learning and Heriot-Watt University in my constituency in Edinburgh carries out research in the oil and gas sector. We must not allow the lack of a critical mass of sophisticated technology-based companies to

mean that resultant technology transfer opportunities are missed.

Scotland's academic science base has improved its commercialisation activities, but more needs to be done. Companies create wealth. If we are to capitalise on the opportunities that are offered by the strengths of our science base, it is imperative that there is a significant and sustained increase in the number of companies in Scotland that exploit our competitive advantage. We must capitalise on our strengths in Scotland and maximise the impact of science and technology on the Scottish economy.

Brian Adam (North-East Scotland) (SNP):

Does the minister agree that the time between academic findings and their translation into commercial enterprises is the key to success? Why, therefore, has the gestation of the oil and gas centre of excellence that Nicol Stephen and I discussed in November 1999 taken so long? The minister has still not announced the planned energy institute and I gather that he is unlikely to make such an announcement today.

Iain Gray: The time between research being produced and commercialisation happening is key. The most important thing is to get that pipeline right. It is not true to say that there have been no initiatives in this area. The proof of concept fund, for example, is part of that process. As I will say in a moment, this is about long-term thinking. Our proposals must be robust and we must ensure that they deliver exactly what we need. That takes time, but progress is under way. I will comment on that later in my speech.

The motion highlights an exciting and important development—to which Brian Adam referred in his intervention—in the way in which Government can act as a catalyst in creating business opportunities in the energy industry.

Scottish Enterprise has drawn up innovative proposals to create a technology institute for energy. The institute will be a new, powerful link between research and commercialisation. It will spot market opportunities by linking with energy companies and identifying their future commercial needs. The institute will link with the pure research that is going on in universities and, potentially, commission new work. The new intellectual property that is created will be in the ownership of the institute, but it will be there for commercial exploitation by business.

This groundbreaking initiative is exactly what good government should get itself involved in: creating a body that can intervene and plug the gap between pure and applied research, that is well versed in the most effective exploitation of intellectual property, and that is familiar with the worlds of academia and the venture capitalist. The

institute will be a shopfront for all that a smart, successful Scotland can be. It will create a focus that will enable high-growth technology companies to work together and channel ideas into a company-building programme.

Scottish Enterprise has outlined proposals for a further two technology institutes. All three institutes will focus on areas of science where we have a clear global competitive advantage, so it is no surprise—especially given the thinking that has been done, to which reference has been made—that energy is the first sector in the detailed development of plans.

The work is being undertaken in a way that will benefit from, and link in to, existing initiatives, such as the proof of concept fund and the thinking that has gone into the centre of excellence idea. Detailed proposals, which will also include the criteria for determining the location of the institute and its work, should be completed by the autumn.

Richard Lochhead: Will the minister give way?

Iain Gray: Sorry. I have to move on now.

Scottish Enterprise will announce the plans in detail tomorrow, when it publishes its operating plan for 2002-03. This is ambitious, long-term thinking. The initiative is groundbreaking and has enormous potential value for Scotland's economic growth. I expect all the stakeholders in the energy, technology and academic sectors to respond positively to Scottish Enterprise's proposals for the operational model. I expect Aberdeen to be at the forefront of that positive response.

This is an important moment in defining where Scotland is placed in new energy developments. We can fall behind and follow the lead of others—as we have seen happen in previous technology shifts—and watch technology develop with the big power companies buying the equipment to generate renewable energy from elsewhere. On the other hand, we can grasp the opportunity to enable scientists in Scottish universities to develop the ideas and indigenous companies to translate the technology into commercial equipment and services and to make global connections to compete in the world market. Our aspiration is the latter and Aberdeen is the place to dedicate ourselves to that.

I move,

That the Parliament welcomes the decision by Scottish Enterprise to work up detailed plans for an Energy Research Institute in Scotland to commercialise the work of Scotland's universities across the energy field; endorses the policy of support for offshore renewable energy developments on the part of the Executive and the Enterprise Networks, and notes the significant potential for the oil and gas industry to diversify into marine renewable energy technology.

The Presiding Officer: I thank Iain Gray for

taking less than the allotted time.

09:49

Andrew Wilson (Central Scotland) (SNP): The minister is to be congratulated on his timeousness, given what he said about geological time. Most members feel sometimes that that is what we are living through when we listen to some of the speeches in the chamber—from members of all parties.

I endorse the minister's comments in that I welcome the honour of being here and speaking during this historic visit to one of Scotland's great European cities. I also welcome the debate, although the Government runs the risk of being seen to propose a relatively vacuous motion. The sentiments are fine, but by the Government's own admission we will not see any policy detail until the end of the summer. In that case, why are we debating the matter now?

That said, it is fitting that the Parliament is meeting this week in the north-east of Scotland. As the minister said, the north-east has led the Scottish and UK economies for three decades. It has been a shining example of confidence and success, which should inspire the rest of us to move out of our complacency in the face of Scotland's mediocre economic performance. The industries that have grown here are at the top end of the quality chain.

Aberdeen is also a leader in education. The fine and ancient university that has been such a gracious host to us has welcomed students from around the world and prepared them for excellence in all disciplines. The north-east is well endowed with further education colleges. For example, Banff and Buchan College of Further Education welcomes students from around the globe to study the science and practice of modern fishing. The north-east leads Scotland in much of what it does, right down to the excellent performance of the SNP in the polls in the region, which is a trend that should be encouraged by all free-thinking Scots with ambition for their country.

Today we are focusing on the energy sector. In that field, the north-east has led Scotland and the UK and, in many respects, the world. As the minister said, the sector has a potentially vibrant future, but that future is jeopardised by the occasional interference of London Governments. As Sir Ian Wood wrote recently, there is almost as much resource to come out of the North sea as we have already taken out of it. There are 121 fields in production, nine under development and a further 110 due for development in the next 10 years. The sector could outlive us all. The industry is rightly beginning to diversify into overseas markets, in which its expertise is marketable, and into new energy sectors.

The development of renewable energy engineering is a logical next step as Scotland looks to harness the great wind and wave power that we enjoy. We must ensure that the maximum economic benefits of that power are captured for our domestic economy. From the Borders to the Western Isles and from Ayrshire to Shetland, all of Scotland can benefit from that sustainable new win on the natural lottery.

We wholeheartedly support the sentiments of the Executive's motion. It would be churlish not to, given that for some time the SNP has called for the measures in the motion. Brian Adam and Richard Lochhead have raised those issues in the Parliament during the past three years. However, the motion lacks substance and detail on the plans to implement the measures. The Government can help—many of the measures in which Scottish Enterprise and other agencies are involved will help diversification—but the Government can also hinder, which is the substance of our amendment, to which I will come in a few moments.

We welcome the work that is being done to make the case for an energy research institute. The debate is not helped by the fact that we do not know the Government's plans for the institute, such as where and how it will work, where it will be based and what its budget will be. Those reasonable questions are, as yet, unanswered, but we await the Government's plans with interest. We also greatly welcome what support the Government can give to the development of and investment in renewable energy research. My colleagues will develop those points, particularly Mr Lochhead and Mr Adam, who have led many of the Parliament's deliberations on the matter in the past.

Renewable energy is an area of technology in which Scotland can lead the world. As a starting point, a national consensus has been built up in the past couple of years that we should focus our efforts on science and skills to drive our work to the top of the value chain and to give our industry a competitive advantage. As Universities Scotland recently pointed out in a briefing note—I am sure that all members have read and digested it—Scotland has a number of assets that give us a competitive advantage in the world market. The first is our physical environment. The upside of our terrible weather is the potential for renewables, which is arguably the best in Europe. The second advantage is our research and development track record and the research excellence that is there to be harnessed. Finally, the industrial infrastructure is in place and the skills are available to do the job.

The world renewables market is worth trillions, which, for the hard of learning on the benches opposite, is a million to the power of three, or a 1

with 18 zeros. That is a lot of money; it is more than David Beckham earns in a month. Oil and gas in the North sea still have a great future, but there is no doubt that public sentiment across the globe will require that an increasing share of the energy market be taken up by renewables. Estimates that I have seen suggest that Scotland could have 10 times its population share of the world renewables market. Scotland should unite behind the efforts to secure leadership in the field, which could energise and fund the nation and provide jobs for generations to come. Denmark has stolen a march on us, but if we act together now, we can catch up.

My main concern is that we should not allow a centuries-old Scottish economic problem to affect the oil and gas sector—that of providing the innovation and creativity only to see the profits and commercial success enjoyed elsewhere. Too often, we train people to be the best only for them to travel abroad to practice their skills. To guard against that, we must ensure that there is a vibrant commercial and corporate sector in Scotland that will employ people's skills and invest the resources that are required. To that end, we need the financial independence to ensure that our economy has a competitive advantage over the rest of the UK and Europe, across all industries.

In the energy sector, we must act now to tackle the damage that has been caused to investor confidence, to trust in the Government, to sustainable investment in jobs and to the health of the industry by the Government's recent tax hike. It is clear to everyone who takes an interest in the energy sector that the Labour chancellor has made a monumental error in imposing a 10 per cent hike on North sea energy taxation. He did so with no signal in his green budget, no consultation with the industry, no consultation with the unions, no consultation with the Department of Trade and Industry, no consultation with the Secretary of State for Scotland—no wonder—and no consultation with the Scottish Executive, all of whom found out about the increase only on the day of the budget. Yet that tax decision affects directly what the Executive has chosen to debate today. The Parliament must express a view on it.

Elaine Thomson (Aberdeen North) (Lab): Does Andrew Wilson recognise that two further fiscal changes were introduced in the budget, one of which was designed to support the abolition of royalties to support older fields—which has been welcomed by the industry—and the other of which was a tax relief on capital charges to encourage investment in new, smaller fields of the kind that are left in the North sea?

Andrew Wilson: I am delighted to accept the point that the member makes. If those measures had been introduced in isolation, they would have

been welcomed. The problem is that the budget represented 17 strikes to the head and only one cuddle from the chancellor. The balance of it was wholly negative for the industry, as almost every observer would confirm. The deputy minister is shaking his head, but as a local constituency member he should take more interest in what is going on in the energy sector.

Iain Gray: Will the member give way?

Andrew Wilson: I have to move on. I will be happy to give way in a moment.

Over the next eight years, £8 billion of potential investment will be lost and the squeeze will be felt not just by global oil players, but by the small and medium-sized enterprises, the contractors and the suppliers that serve the industry. That is the lesson of downturns in recent years. Those companies are the life-blood of any effort that we can make to diversify our skills into renewable energy sources. If they are hit, where are the domestic skills, enterprise and investment in growth going to come from? The Government cannot take £8 billion out of a sector and expect that to have no impact. The fact that that has been done all of a sudden, without consultation and with no assessment of the economic impact on employment and on future investment in the sector, proves that it was a last-ditch attempt to settle Government books that are looking increasingly dodgy. It is yet another example of a London chancellor looking north-east and seeing nothing but pound signs. All the parties in London have viewed the North sea as nothing more than a cash cow to be milked. If the minister can tell me anything different, I would be delighted to hear it.

Iain Gray: The reaction from the industry has been well publicised in the press. Does Mr Wilson accept that, since 1998, it has been well known that the fiscal regime required restructuring and that, of the two possible ways of doing that—the petroleum revenue tax and the supplementary tax—the supplementary tax that has been introduced was regarded as preferable by far? Does he also accept that the industry's reaction has been couched in terms of the need for fiscal stability in the industry over the longer term? Can he explain how the Scottish National Party's plans to tear Scotland out of the United Kingdom would provide fiscal stability over the longer term for the oil and gas industry?

Andrew Wilson: The minister makes my point perfectly. The actions of London Governments over the years have created instability in the sector. By treating the North sea as a cash cow to be milked, they have bred investor uncertainty and a lack of investment. An industry that was led by a Government in Scotland would have stability and the Government would focus its concern on nurturing the industry over the long term.

Neither the industry nor the SNP oppose tax changes as such—we oppose what has happened. A review was set up in the first two years of the Labour Government and reported its conclusion, after two years, that no changes were necessary. Then, after that two-year review and with no consultation, preview or linking to the Government's green budget, the chancellor comes out with a tax change on the day of the budget without telling any minister or consulting with the DTI or the Secretary of State for Scotland. The industry never knew that the tax hike was happening. That is instability and driving a wedge between Government and industry and is precisely the sort of uncertainty that we do not want and that damages investment.

I hear from the back of the chamber a blast from the past that ought to be acknowledged with due respect.

Ms Wendy Alexander (Paisley North) (Lab): I know that Andrew Wilson takes a particular interest in the economics of oil and the tax revenues that they generate. I also know that he takes a particular interest in the work of Chantrey Vellacott DFK. Its estimate is that when the value of a barrel of oil swings by \$3 in its central range that leads to a variability of £1 billion in tax revenue. I wonder whether Mr Wilson agrees with that estimate. If he does not, can he tell us, given his interest in oil economics, what his estimate is for the variability in tax revenues when a barrel of oil swings by \$3 in its central range?

Andrew Wilson: I think that what the minister points to, quite rightly, is the vulnerability of the sector—[*Interruption.*] Did I say minister?

Brian Adam: There are so many of them.

Andrew Wilson: I must be hankering for a bygone age.

I think that what the former minister referred to, quite rightly, is the vulnerability of the oil sector to instability, not only in fiscal regimes, but in the oil price and the impact that that can have on Government revenues. That is why the SNP suggests establishing a fund for future generations to balance the fluctuations in oil prices in the same way that the Norwegian Government has done. Again, that points to the fact that the SNP, and Scotland as a country with a focus on oil and gas, could introduce a regime that would be far more stable and that could allow us to protect the industry and public finances from the vagaries, rather than accentuate them.

London causes an accentuation of the problems of a sector that has not been helped or well served—

Iain Gray rose—

Andrew Wilson: It is one a minute from the

Government benches. It is delightful to see them so agitated about a debate. I will take the minister in a few moments, but I must move on.

The simple point is that if the DTI, the Secretary of State for Scotland and the ministers were not told about the tax hike—I would be delighted to know when ministers found out about the measure—how can it possibly be said to help rather than hinder the sector? Even Helen Liddell has admitted that the measure's effects are deleterious. It is not acceptable in a regime or province such as ours, which is high cost and has done so much to fund London Governments, that the tax instability is introduced at a time of great fragility. That link to the debate on renewables must be recognised. Diversification cannot be sustained if we are potentially cawin the feet from under the very businesses and industries that will do that diversification.

The Presiding Officer: You are on your last minute, Andrew.

Andrew Wilson: I am grateful, Presiding Officer. [MEMBERS: "So are we."] I was sure that many members would be grateful too.

I had hoped that the Liberals and the Conservatives would back our inclusive amendment. They seem, however, more concerned with saving face and petty point scoring. I thought that those tactics had been left behind in student union debating chambers. The Liberals back our amendment in principle—their colleagues in London voted on their behalf. Here, however, the Liberals lodged an amendment to ours that seems to say, "The Liberals are against the tax—honest. But it's not for the likes of us to discuss it."

That is an utterly bankrupt position that says that the Parliament cannot express views on matters that are currently external. That is utterly wrong, hypocritical and is a wasted opportunity to show the industry, the work force and the country that the Parliament can unite across parties in the public interest. It is a missed opportunity, but par for the course. That position is unsustainable.

I welcome, however, the opportunity for this morning's debate. The tax question is the key one affecting the sector and the future potential for diversification. It is a national debate that is not just for the north-east, but for Scotland's economic future, so that we can seize today's opportunities compared with the way that London squandered those of the past.

There is much to be optimistic about. There is a national consensus on the need for skills and investment. However, what appears to be in the way is a London Government—and, I have to say, its mouthpieces on the Executive benches—which is either complacent or indifferent to the impact of

what remote government has meant for the oil and gas sector. We must send out a unified message from Parliament by a unified vote for an amendment that I think is reasonable, calling for a moratorium on the tax measure until an assessment of its impact can be made. I hope that the chamber will unite behind that decision when decision time comes.

I move amendment S1M-3155.1, to insert at end:

"but is deeply concerned by the potential economic impact of the Chancellor of the Exchequer's recent announcement of a 10% increase in taxation on the North Sea oil and gas industry; is further concerned that this announcement, without any consultation or published assessment of the potential impact it will have on jobs and sustainable investment in the sector, could jeopardise employment levels, the survival of many companies involved in servicing and contracting to the industry, and the future success of a vital Scottish industry which in turn could place at risk any plans for effective and sustainable diversification, and therefore calls for a moratorium on the imposition of this tax until a full assessment is made, and published, of the sectoral and overall economic impact it will have including its impact on investment in diversification."

The Presiding Officer: I now call on Mike Rumbles to move his amendment to the amendment.

10:04

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I am delighted to be speaking in this debate during the Parliament's visit to Aberdeen. It is a great opportunity to address the issues that are important to the north-east of Scotland.

The North sea boasts Europe's largest oil and natural gas reserves and is one of the world's key oil producing regions that is not part of the Organization of the Petroleum Exporting Countries. As recently as two years ago, North sea oil production reached new heights, with more than 6 million barrels a day being produced for the first time. However, the oil industry in Scotland is increasingly mature and, although there is a high level of production, fewer exploration and appraisal wells are being drilled in the North sea than in any year since the 1970s.

Up to 100,000 jobs or 6 per cent of the work force are dependent on the oil and gas industry—the vast majority of those jobs are in the north-east—and more than 2,000 companies are involved. Therefore, the challenge for the industry is to engage all stakeholders in targeting efforts to exploit fully our oil and gas reserves, including the development of smaller fields and diversification of the industry.

Before I consider the Executive's actions in promoting diversification and before I address the

detail of the motion, I must address my amendment to the SNP amendment, which I have lodged on behalf of the Liberal Democrats. It is unquestionably right to highlight the industry's grave concern about recent proposals in the Chancellor of the Exchequer's budget for a 10 per cent supplementary charge on North sea oil profits. The North sea is an expensive place in which to operate. It is physically challenging because of the deep water and the hostile climate. It therefore requires the use of leading technology, which does not come cheap. It is important to acknowledge that there is cheaper competition elsewhere, such as in the Gulf of Mexico, Azerbaijan and Venezuela. There are, in those places, larger fields from which it is easier to extract oil and gas. That is why they can be more attractive places for investment by oil companies that operate in a global market.

The 10 per cent tax on profits that the chancellor is to levy appears to the unenlightened to be simply a hit on London big businesses that charge the motorist a lot at the petrol pump, but that is the wrong way in which to consider the matter. At a time when oil companies are striving to be more competitive and are making redundancies to reduce the cost base, the chancellor hits them with a 10 per cent tax on profits. As has been said, the tax proposal came out of the blue—there was no consultation with the industry, just a quick and easy hit. The industry needs stability and a long-term investment programme. We are witnessing Government short-termism at its worst.

Andrew Wilson: Mr Rumbles makes some well-informed and positive points. However, will he say whether the points that he is making are his personal views or those of the Liberal Democrats and, by implication, the Executive? Does the Liberal Democrat minister Nicol Stephen, who is sitting in front of him, agree with him or is there a split position?

Mr Rumbles: The Liberal Democrats in Westminster and the Scottish Parliament are united on the matter. As my Westminster colleague, Sir Robert Smith, said in the House of Commons during the budget debate,

"If we get it right and encourage investment in the North sea, we will make more revenue in future ... It can pay for future health care, but it will be lost if the Chancellor does not get it right, work properly with the industry and acknowledge the need for investment.

The Budget was meant to be enterprising and fair. For those who have lost their jobs to make competitive an industry that the Chancellor, by taking tax out of it, is now making even more uncompetitive, it is neither enterprising nor fair."—[*Official Report, House of Commons*, 22 April 2002; Vol 384, c 66.]

The Liberal Democrats, in Westminster and the Scottish Parliament, are completely opposed to the proposed tax on jobs and the threat to the

sustainability of the North sea oil and gas industry.

Alex Neil (Central Scotland) (SNP): Can we therefore assume that the four Liberal Democrat ministers will vote for Mike Rumbles's Liberal Democrat amendment at 5 o'clock tonight?

Mr Rumbles: I am speaking on behalf of the Liberal Democrats. I say to the member that he should wait and see with regard to the vote tonight.

It is misleading for MSPs to pretend that the reserved matter of tax can be overturned in this devolved Parliament when it cannot be. The proper place for opposition to the tax is the House of Commons and I know that the members of Parliament who have the interests of the north-east at heart will do all that they can to have the proposal overturned in the House of Commons. I have lodged my amendment to the SNP amendment to ensure that it is clear that the mistake that was made in the House of Commons should be rectified in the House of Commons.

Mr David Davidson (North-East Scotland) (Con): If Mike Rumbles feels such passion about his amendment, why was not it lodged as an amendment to the Executive's motion? Mr Rumbles is keen to talk about which areas are reserved and which are not reserved, but is he aware of the Executive's role in dealing with the Scottish economy and employment and in retraining and replacement of jobs?

Mr Rumbles: That intervention was not particularly helpful or terribly constructive. On David Davidson's amendment, I am astounded that the Conservatives are trying to remove the support for offshore renewable energy developments that is mentioned specifically in the Executive motion. I, and the Liberal Democrats, support the Executive motion.

Mr Davidson: My amendment covers renewables.

Mr Rumbles: It does not. David Davidson should look at the business bulletin.

Removal of that support would be a gross mistake and one that the industry would not forgive—it certainly would not forget it—very easily.

Richard Lochhead: Will the member give way?

Mr Rumbles: I have given way enough.

I will speak about the Executive motion and examine what the Scottish Executive can do to help to secure the future of the industry by assisting in the diversification that is so necessary to the industry's success. The Executive must provide financial backing for new research and development to be carried out in our academic centres and in industry in order to develop wave

and tidal current technologies towards full commercial viability. I know that Scotland has the potential to be a world leader in that field, but that will happen only with the Executive's support.

Such development should include construction and testing of full-scale prototypes. Meeting a challenge on that scale is ambitious and, as with all ambitious projects, there would be setbacks to endure along the way, but I have no doubt that Scotland can lead the world in such activity. We have in this country an enormous wealth of engineering and construction expertise that is often underused and under-appreciated. The Executive must give the manufacturing sector its full support to enable Scotland to become a key player in the world market of manufacturing and installing renewable energy devices.

In the short term, Scotland has the potential to win a considerable share of the wind energy market. In the longer term, Scottish industry must take the lead in the construction of wave energy and tidal stream devices. The nation that has the courage to invest in the infrastructure that is necessary for mass production of large-scale units in that sector will reap the rewards—that nation should be Scotland. It is also essential that the Executive address the problems that are associated with power transmission. That will require the development of a balanced renewable supply from all Scottish renewable sources in order to meet and exceed Scottish and United Kingdom targets.

No short-term or medium-term dividends are to be gained by such investments, but we have simply no choice but to invest; indeed, we have a responsibility to future generations to do so. If we are to develop Scotland's renewable energy resource, we face two problems. The first is that the energy that is to be tapped is concentrated largely around the northern and western peripheries of Scotland, but demand is concentrated in the centre of Scotland and south of the border. The second problem is reliability of the supply. I fear that even the Scottish Executive cannot ensure that the wind will blow for 24 hours a day, 365 days a year.

Bruce Crawford: Is not the real problem that we need to invest heavily in renewable energy storage systems?

Mr Rumbles: I say to Bruce Crawford that the Executive definitely cannot ensure that the wind blows.

The difficulties are not insurmountable.

Bruce Crawford: On supply—

Mr Rumbles: I have given way four or five times already.

Advanced research is required to solve

transmission issues and to examine greater use of local networks for remoter communities. It should be shown that the grid has some capacity to allow for current renewable systems, but new capacity is needed if Scotland is to meet its full potential.

The second problem—reliable supply—can be contained. Wind power should form only part of an integrated renewable energy strategy. Even the European Wind Energy Association admits that, although wind energy could in theory supply all Europe's electricity, technical constraints mean that it would be sensible to use wind energy to meet only up to 20 per cent of our needs. If wind energy is used to form part of the total supply along with less variable sources, it can have a hugely important role to play. The real energy resource—wave power—lies offshore. The long oceanic swell provides a steady and reliable resource that is waiting to be harnessed, particularly in winter when demand is highest. Tidal power is even more reliable. It would provide predictable power all year round.

In combination, those three renewable energy resources can provide a balanced, reliable supply with output that rises in winter when demand is highest. However, that is dependent on a long-term commitment from the Executive. What better place to announce the decision to locate a new energy research institute to harness the expertise of the North sea oil and gas industry than in the great granite city of Aberdeen?

I believe that the case is strong for siting in Aberdeen the headquarters of a new energy research institute. My colleague, Nicol Stephen first proposed such an initiative, when he was Deputy Minister for Enterprise and Lifelong Learning. Now we need to get on with it.

The Executive's motion is right to acknowledge

"the significant potential for the oil and gas industry to diversify into marine renewable energy technology."

At the same time, it is important to set demanding, but achievable, goals. We need to launch a major, realistic diversification programme for renewable energy. We must utilise the expertise in the North sea oil and gas industry for the benefit of the whole United Kingdom economy. We should locate the headquarters of the new energy research institute here in the city of Aberdeen.

The Liberal Democrats will support the Executive's motion on diversification of the industry. Although we feel that it is important to combat threats to the industry such as the 10 per cent tax hike, my amendment to the SNP's amendment makes it clear where the responsibility lies for that tax proposal and where it needs to be fought—in the House of Commons.

I move, as an amendment to amendment S1M-

3155.1, amendment S1M-3155.1.1, to leave out from “is deeply concerned” to end and insert:

“notes the Liberal Democrats’ opposition to the 10% increase in taxation on the North Sea oil and gas industry, and recognises that this is a reserved issue and the responsibility of Her Majesty’s Government.”

The Presiding Officer: I thank the member for completing his speech under time while still accepting many interventions.

10:16

Mr David Davidson (North-East Scotland) (Con): Our amendment

“supports the development of renewable energy research”.

I, on behalf of my party, am happy to support the proposal to base the proposed energy research institute here in Aberdeen, which is the obvious place for it.

I wish to focus more on what is the major concern for this area. I am amazed at the deafening silence from the Executive on the major threat to employment and the future prosperity of the north-east of Scotland from the actions of the Chancellor of the Exchequer. The Executive has done some embarrassed ducking and diving on that issue this morning without hitting the mark. Regardless of what Mr Rumbles thinks, the Parliament has, under the Scotland Act 1998, the right to discuss anything that affects Scotland.

Mr Rumbles: Will David Davidson take an intervention?

Mr Davidson: No, thank you.

Mr Rumbles: I let you in.

Mr Davidson: In time, and when I choose, thank you. I am surprised at the furore that Mr Rumbles is displaying this morning. It is more important that we channel our attentions and that the Parliament demonstrates that it understands what is going on, which is a hit on employment in a major industry in this area.

Iain Gray: I am glad, but not surprised, that Mr Davidson raised that issue. The Tories are responsible for one of the most ludicrous press releases that I have seen in my life. That release calls for the setting up in Aberdeen of a task force similar to the Motorola task force that was set up for West Lothian, on the basis of concern about jobs. The difference, of course, is that the workers at Motorola lost their jobs. Here, we are talking about hypothetical and potential job losses. I make it clear that I do not accept that premise. Mr Davidson’s remarks constitute scaremongering that is so comprehensively spun that it has passed through the space-time continuum and time-travelled to some hypothetical point in the future. It is ridiculous, and does the industry no good at all.

Mr Davidson: I always thought that good government was about looking forward, seizing opportunities and recognising threats.

There are three Labour MPs and two Labour MSPs in this city. The Deputy Minister for Enterprise, Transport and Lifelong Learning is also the deputy chairman of Pilot. Pilot was set up—so the industry thought—to be the talking shop for all things to do with the industry, including interface with Government and the future. In the last term, the industry delivered totally on its investment promises, only to have that thrown back in its face and ignored. Perhaps the minister does not realise that, in the past five years, £23 billion has been invested in good faith by an industry that believed that there would be reasonable fiscal stability. That is something that I called for two years ago, it is something that the Government has called for and it is something the industry has called for at every opportunity over the past 10 years.

The Deputy Minister for Enterprise, Transport and Lifelong Learning (Lewis Macdonald): Will Mr Davidson acknowledge something that Mr Andrew Wilson was unwilling to acknowledge, which is that the decision not to proceed with the supplementary charge in 1998 was based specifically on the low price of oil at the time? Will he accept that there was a sustained, low oil price at that time, and that the present market position is quite different?

Mr Davidson: To put it simply, the oil price is not likely to remain at its recent average. Even if the oil price were to drop to \$15 a barrel, £4 billion extra tax from the North sea would be unavailable for investment. The tax is a supplementary tax against which the industry cannot set its finance charge—it could do so with corporation tax. The Executive is, through its ministers in London, cutting back opportunities for the industry to invest. The situation is worse than that—it is about investor confidence.

Elaine Thomson: Will the member give way?

Mr Davidson: Not at this time.

If the North sea, Scotland and the UK are not perceived to be good places in which to invest, how many other industry sectors might be affected? We are talking about short-termism such as we have not seen in a long time and about which many of us are anxious. The rammy that went on up here about the Inland Revenue’s IR35 guidelines being applied to subcontractors was bad enough.

Andrew Wilson: Will the member give way?

Mr Davidson: In a moment.

Last year alone the industry initiated 21 new projects—twice the number for the previous year—worth £2.55 billion. That tells us that the

industry did not expect this bolt from the blue.

There is talk of royalties and how they will be removed—Elaine Thomson came out with that a few minutes ago—but it is all talk. Why does the minister down south not acknowledge the damage that he has done and simply abolish royalties now? I urge Iain Gray to take the message back to everybody at Westminster that the situation is a nonsense that just goes on and on.

The economy in north-east Scotland is tied to oil and gas. When I was a young man in Aberdeen and oil came, farming, fishing and the food industry were in good order. Oil was an added benefit that spun out to the universities and provided training and job opportunities; the European centre of excellence that is Aberdeen developed. What do we have now? Other industries are going down the pan as farming and fishing are struggling to cope. Oil is now a major plank. The terrible trouble is that although the oil industry is such an important part of the economy here, we know that it will die eventually. At the moment there are huge opportunities; half the gas and oil have not been taken out of the North sea. That means that we need new technology, which is expensive. The old rigs are expensive to run and are not so efficient.

The economy is inter-linked. If the Executive runs it down naturally over time and brings in new industry to take its place, that is fine. However, if the Executive cuts short the investment just like that, with what will it fill the gap in the short term? Will it commission two new nuclear power stations to fill the energy gap?

Andrew Wilson: I am enormously grateful to the member for giving way. The Parliament should assure him that although he spent his youth in Aberdeen, he is still in his prime.

The SNP agrees with David Davidson; there has been an utter breach of the industry's faith by the Government. Does the member agree that the Parliament would do its job as the voice of Scotland if it were to unite behind the industry against the tax decision? Of course we could not change the decisions at Westminster, but we could ensure that London has a unified Scottish Parliament position to take into account.

Mr Davidson: I agree that we should spell out the position very clearly. Members in all parties at Westminster sometimes lose clear sight of what is happening. We have to get across the message that the oil and gas industry is a major driver of the Scottish economy and, through that, the UK economy. I have no wish to go down the route of nationalism and be isolated on the fringes; I can tell members what that is like and we do not want to go there.

Other aspects of the economy have spun out of

the industry, such as the universities, not just in Aberdeen—I refer to Heriot-Watt University for example.

Elaine Thomson: Will the member take an intervention?

Mr Davidson: No—Elaine Thomson does not normally take interventions.

A huge exercise is going on—new technologies are being developed to get to the peripheral fields, the products of which will be transported abroad. There is terrible geology to deal with; we have fractured fields and mixes of oil and gas within the different strata. That situation requires a rapid response, new technology and heavy up-front investment. The investment that has been made to date will no longer have the same net present value, because it will take longer to get payback because of the stupid tax. No one is arguing about a fair tax regime, but it would be far better if we had discussed the tax with the industry.

I have never seen such a response from any industry. The industry is united in thumping out the numbers, which are all here, but the debate is about principle, not numbers. The Executive has been hung out to dry and no matter how much the Liberal Democrats squirm and pretend that they are the white men up here and are doing wonderful business down south, the fact is that the Executive, which includes the Liberals—

Mr Rumbles: Will the member take an intervention?

Mr Davidson: I will finish the point and will come to Mike Rumbles in a moment.

The Executive must take responsibility for what will happen. The figures that say that 18,000 jobs in Scotland are at risk are not my figures, nor are the figures that say that 7,500 jobs are at risk in the north-east. Those figures come from academics, accountants and economists who watch the industry. If one does the sums, those job losses are the potential effect.

When the tax was first announced, it was fairly obvious that the cost was being minimised—it was going to be only £4 billion. The figure went up to £6 billion and now the projected figure over the first few years is £8 billion. If one examines the situation more closely and takes into account the knock-on effect on different parts of the industry, the real cost will be more than that. The minister's responsibility is to tell members how he will make good the job losses and how he will diversify the industry in the north-east. Perhaps Mr Rumbles can help him.

Mr Rumbles: I thank the member for eventually giving way. He has repeatedly misrepresented the Liberal Democrat position. Our position is absolutely clear—we oppose the tax and we

oppose it where it is most important to oppose it. The member suggests that we say that the matter cannot be discussed. That is simply not the case. Our amendment indicates that we should discuss the matter. We are discussing it, but the point is that we need to change the taxation increase on the industry in the House of Commons.

Mr Davidson: We must invest in the Scottish economy part of the money that rolls back. Why has half the money that it was promised would go straight into the national health service—Gordon Brown's funds—not been put into the infrastructure in Scotland, which creates the jobs, the employment and the wealth? It is from the wealth that we pay the tax, which pays for the public services. One cannot do one without the other.

When the deputy chairman of Pilot—Lewis Macdonald—winds up, I want him to tell us how he will explain to the members of Pilot how they can diversify. I am not knocking diversification into renewables—we need that as well—but why cannot we have both? Why do we have to hit the oil industry so quickly? We will not have time to get the renewables centre on stream and delivering jobs and investment because the United Kingdom Offshore Operators Association will not sign any cheques to put into renewables; its members are struggling to find out what investment they have left.

Iain Gray: I have made it clear that I do not accept that the change in the fiscal regime will have the impact on employment that has been described. Labour members are clear that a growing Scottish economy is necessary to fund public services and to deliver social justice. I want to clarify whether Mr Davidson thinks that the Conservatives would have slashed in half the record additional increases for health, which were announced recently by the Minister for Health and Community Care. Would they have invested those sums elsewhere in the economy? I thought that that was what the member was saying.

Mr Davidson: I was not saying anything about what we would do; I was asking why the minister did not do that.

I will conclude, because I appreciate that other members might wish to shed new light on renewables. We encourage the development of renewables, but we know that that will not happen overnight. The tax increases on the oil industry represent a silly way of milking a cash cow and biting the hand that feeds us in this part of the country. Thousands of small companies that offer high technology and added value are at risk. Their opportunity to employ people is at risk. If fewer people invest offshore, there will be fewer jobs offshore. About 3,000 jobs are produced by £100 million of investment. If the future investment plans

are removed—it takes only nine months to a year to make such plans nowadays—and investment is removed in chunks of £100 million, 3,000 jobs will vanish just like that.

When Jack McConnell comes to the chamber tomorrow to give his big statement about where he wants the Government to go, I want him to bin his statement and instead tell us how he will make good the damage that the chancellor has done to the economy of north-east Scotland.

I move amendment S1M-3155.3, to leave out from “endorses” to end and insert:

“supports the development of renewable energy research in Scotland, and expresses concern that investment by the oil and gas industry in the North Sea province will be severely undermined by the 33% increase in corporation tax which will lead to a projected 18,000 job losses in Scotland.”

The Deputy Presiding Officer (Mr George Reid): We move now to open debate. Speeches should be of four minutes plus time for interventions.

10:29

Elaine Thomson (Aberdeen North) (Lab): The offshore oil and gas industry is an integral part of the economy of Aberdeen and the north-east. I worked in the industry for many years. Over the past decade, the industry has driven the huge expansion of Aberdeen's industrial base, has provided thousands of jobs and has made Aberdeen the energy capital of Europe.

The economic importance of the oil and gas industry to Aberdeen, Scotland and the UK cannot be underestimated. Indeed, I argue that the creation of Pilot, which was set up when the oil price was low, shows that its importance has not been underestimated. The investment that the oil and gas industry has put into the UK is immense. Over the past decade, the industry has been responsible for some 18 per cent of total UK industrial investment.

Undoubtedly, we now stand at a crossroads, but we have as far to go down the road as we have come. We know that the North sea is a mature oil-producing area, but 50 per cent of the oil and gas reserves remain to be exploited over the next 20 to 30 years. There are still huge opportunities and there is still a lifetime career for today's graduates. One feature of the oil and gas industry has been that people have constantly predicted its premature death, whereas it is one of the UK's raging successes.

Pilot, to which I referred earlier, has successfully brought together Government and industry to define a new vision for 2010.

Richard Lochhead: The member has

mentioned Pilot, which is the industry-Government initiative. Before proceeding with the 10 per cent tax, should the UK Government have consulted Pilot and others in the industry?

Elaine Thomson: Pilot brings many people around the table including, I understand, Treasury officials. Over the next period of time—

Richard Lochhead: Should Pilot have been consulted before the tax was introduced?

Elaine Thomson: I have dealt with Richard Lochhead's question.

Pilot will no doubt consider how to proceed with further developments in the oil and gas industry. Pilot has set clear objectives for the next few years for opening up smaller fields, maintaining production in older fields and encouraging sustained investment of about £3 billion a year.

It is undoubtedly true that continued investment will require stability and confidence. Some of what we hear from the SNP is therefore quite strange. I can think of nothing more destabilising than taking Scotland out of the UK, which has provided a stable base for the oil and gas industry.

Alex Neil: Will the member take an intervention?

Elaine Thomson: No thank you.

I am sure that Lewis Macdonald, who is the deputy chair of Pilot, will consider how to take forward discussions within Pilot.

Instead of talking down the industry, as David Davidson did this morning, we should recognise the opportunities that exist. From my discussions with the oil industry, I know that no projects have been cancelled and that all current investment is going ahead. No jobs have been lost. We need to celebrate our successes rather than talk them down.

Future exploration and production in the UK continental shelf will be underpinned by developments in innovative technology, such as that which could be supported by the new energy institute. Aberdeen has a huge reputation for developing technology and has much expertise in the offshore oil and gas technologies. Undoubtedly, the added support of an energy institute could help us to grasp global opportunities by encouraging companies to diversify into other oil and gas markets around the globe and into renewables.

I make no apologies for calling for the energy institute's headquarters to be located in Aberdeen. Aberdeen has the industrial base and the critical mass both of industry and of academic expertise, which includes much important research into renewables. Renewables UK was recently established in Aberdeen to support the

development of a renewables supply chain. Locating in Aberdeen will be vital to the success of the energy institute. I hope that I can look forward to a positive announcement on that in due course.

10:35

Richard Lochhead (North-East Scotland) (SNP): The north-east of Scotland is absolutely furious with new Labour following the recent budget announcements. There has been an utter breach of faith. As the minister well knows, the industry was just recovering from the 1999 slump. Things were beginning to get back to normal and investment was coming back on stream.

Lewis Macdonald: Will the member give way?

Richard Lochhead: The minister did not wait long, but I am delighted to give way.

Lewis Macdonald: Can Mr Lochhead give us an example of an investment that has been cancelled since the budget?

Richard Lochhead: Members of the industry contacted me a few days after the announcement to say that, had the tax been announced a few weeks previously, many investments that they had just committed themselves to would not have happened. That means that, in the foreseeable future, many investments will not take place, because of the 10 per cent tax announced in the budget.

All the good will that has been built up between the industry and the Government in recent years was ripped up overnight. All the commitments and all the pledges were not worth the paper that they were written on. The members of Pilot are furious. The Government was committed to dialogue and consultation, but the 10 per cent tax came out of the blue.

In 1997, when new Labour won power, it consulted on possible changes to the industry. The consultation lasted more than 24 months, after which Labour decided not to make any changes—to the relief of everyone in the north-east of Scotland. What happened then should be contrasted with the 10 per cent tax increase now. This time the industry was not consulted; Scotland's Parliament and Government were not consulted; and poor wee Brian Wilson, who spent so much time building bridges with industry, probably was not consulted by Gordon Brown. Brian Wilson builds the bridges and Gordon Brown burns them down. No doubt poor wee Lewis Macdonald, the MSP for Aberdeen Central, many of whose constituents depend on the oil and gas industry for their jobs, was not consulted by the UK Government on the potential impact of the 10 per cent tax on his constituency and the north-east of Scotland. Perhaps he will confirm that when he

winds up. Lewis Macdonald's views simply do not matter to Gordon Brown who, as Andrew Wilson said, sees only pound signs when he looks north.

Lewis Macdonald: Will the member confirm that a number of oil companies have taken a view that is quite contrary to the one that he has expressed? Talisman Energy (UK) Ltd, for example, said that, on balance, the capital allowance changes were beneficial in allowing new investment and Venture Production Company (North Sea) Ltd has announced a £90 million investment in the Sycamore field. Does the member accept that the balance of the budgetary changes differs depending on the nature of the company and the fields that they seek to exploit?

Richard Lochhead: I draw the minister's attention to recent headlines from the north-east of Scotland, such as "Gas giant says new tax will cost £90 million" and "North Sea Investment At Risk Warns ExxonMobil". There have been dozens of similar headlines. Dozens of experts have said that the tax is detrimental and will have a negative impact on the economy of the north-east of Scotland.

Mr Davidson: Will the member give way?

Richard Lochhead: I am sorry, but I am running out of time.

The Deputy Presiding Officer: You have two minutes.

Richard Lochhead: There will be long-term damage to the industry if the 10 per cent tax is imposed without proper assessment. We may not see that damage next week or the week after, but there will be long-term damage. That concern is widespread in the industry and in our communities in the north-east of Scotland. We will be less competitive. I do not know whether the minister has seen UKOOA's graph, produced by Wood Mackenzie, showing that we are only the 30th most competitive province in the world—and that analysis was carried out before the 10 per cent tax.

This is a global business: people are considering the Mexicos, the west Africas and the Russias. Global decisions are being taken. People in Aberdeen have to bid for investment from Houston and elsewhere in the world. How will they do that now that they have an extra 10 per cent tax? We are now less competitive and there is a lack of confidence. Industries will look around for places to invest knowing that there is now fiscal instability in Scotland. That is detrimental to the industry and to the north-east of Scotland.

The minister must take on board an important point. We are talking not only about the massive global companies and the multinationals, but about local companies in the supply chain. It will

not always be the multinationals that suffer because of the tax change. Like many large businesses, the multinationals will pass on costs to their suppliers. The suppliers employ tens of thousands of people in the north-east of Scotland and they will bear the brunt of that. If the multinationals decide to turn their attention to provinces elsewhere in the world, companies in the supply chain in this part of the world will follow suit. They will have no choice. That will be detrimental to attempts to prolong the life of the oil industry in the North sea.

Elaine Thomson: Will the member give way?

The Deputy Presiding Officer: No, he is in his last minute.

Richard Lochhead: I will turn briefly to diversification.

The Deputy Presiding Officer: Very briefly.

Richard Lochhead: In the north of Scotland, we cannot have all our eggs in one basket. We should learn lessons from elsewhere in Scotland and from Scottish economic history. We have the opportunity to transfer skills from oil and gas to the renewable energy sector. That is why it is so important that the energy institute be established in Aberdeen. The critical mass in both public and private sectors is in Aberdeen and the energy institute must be in Aberdeen to allow us to achieve diversification.

The Government and the Scottish Parliament must stand up for the communities of the north-east and for the Scottish economy. That is why we are here and why the people of Scotland elected us. For the Liberals to argue that we cannot make representations to Westminster, while in the same breath saying that we should make European representations for agriculture—

The Deputy Presiding Officer: You have finished your speech, Mr Lochhead.

Richard Lochhead: The Liberals should hang their heads in shame for not standing up for the north-east of Scotland's offshore industry.

The Deputy Presiding Officer: You have had your say, Mr Lochhead.

Richard Lochhead: I ask the Parliament to support the SNP amendment and stand up for the offshore industry in Scotland.

10:40

John Young (West of Scotland) (Con): The north-east is undoubtedly doing its best to ensure future prosperity and it is now looking to the Scottish Parliament and the Scottish Executive to take a more active role in achieving that dream. As in all such enterprises, support is necessary in

order to be competitive worldwide. We need improved transport links in Scotland and to markets overseas. I understand that there have been calls for a bypass round Aberdeen.

The planned energy research institute is to be controlled by Scottish Enterprise, but as yet its location has not been confirmed. Perhaps I am being overly suspicious, but I wonder whether there is a difficulty in locating the institute in Aberdeen. The energy institute should be in Aberdeen, but I will not hold my breath.

Alex Neil: In his speech, Iain Gray said that the details of the energy institute would be announced at a Scottish Enterprise press conference in Glasgow. Is it not a disgrace that we are to have another fanfare from Scottish Enterprise tomorrow, but the details are being kept from the Parliament today? Does John Young agree that the minister should be announcing the details today in Parliament, rather than with a fanfare in Glasgow tomorrow?

John Young: It is rare for me to disagree with Alex Neil and I fully agree with every word he said in the last two seconds. The deputy minister should give the Parliament an explanation when he sums up.

The oil and gas industry is a major contributor to the Scottish economy, employing some 6 per cent of the work force. The United Kingdom and Denmark are the only countries in the European Union that are net exporters of energy oil reserves. However, at current production rates, that situation will last for only 15 years, whereas the projection for the OPEC countries is some 80 years. The emergence of the oil and gas industries over 30 years is to be applauded, but some difficulties have arisen. Local members will be particularly aware of problems such as large increases in property prices and a wage imbalance. Nevertheless, the advantages outweigh the disadvantages.

In this part of Scotland, we have several institutes, such as the Macaulay Institute and the Rowett Research Institute. According to UKOOA, more than 50,000 jobs could be at risk as a result of the tax increase. That estimate is based on the rule of thumb that every £1 million removed from the industry takes with it 32 jobs and on a forecast that investment may fall by 20 per cent. Roy Hall of UKOOA's economic advisory group said that there had been no consultation before the tax hike. He said that the decision was strange and short-sighted, given that the North sea is now a mature oil province where production is beginning to decline.

Perhaps Mr Hall felt even more ferocious than his comments suggest. He has every right to be upset. We have a Labour Government and Labour

politicians in the Scottish Parliament who mouth-wise and word-wise give one message, yet definitively fail to take action. Some people ask why the industry should not pay more, but that might cause an unholy row between Gordon Brown and the industry, which would benefit no one. A degree of stability is necessary and that is not what we have been hearing about this morning. I hope that, when he sums up, the deputy minister will give us the further information and detail that have been lacking.

I have given you a 50-second credit, Presiding Officer.

The Deputy Presiding Officer: We are profoundly grateful.

10:44

Marilyn Livingstone (Kirkcaldy) (Lab): I welcome the minister's statement and the opportunity to discuss the future of the oil and gas industry in Europe's oil capital. The Executive is totally committed to maximising the life of Scotland's oil and gas sector and maintaining jobs both onshore and offshore. I agree with my colleague Elaine Thomson about the success story of oil and gas in Scotland. There is no doubt that the oil and gas industry is a major player in the Scottish economy, with 100 offshore fields already developed. The industry employs more than 40,000 people in the north-east and, across Scotland, 100,000 jobs are related to offshore oil and gas production. The oil and gas sector makes a significant contribution to the Scottish gross domestic product.

Promotion of innovation in the industry is the key to the sector's development. The proposed energy research institute, about which we have heard much this morning, is an important initiative, as is the investment of £50 million. Set in the framework of "A Smart, Successful Scotland", the institute will have a sustainability agenda. There is also an innovative proposal, which I hope will be implemented, to create a centre of excellence in renewable energy.

Diversification into renewable energy, infrastructure, transport and logistics is estimated to afford £33 billion in opportunities to UK industry. The oil industry is well placed to benefit from that development and take advantage of synergies between the oil and gas and renewables sectors. For example, the industry could diversify into the manufacturing of renewable energy equipment. Companies such as Shell and BP have already indicated that the manufacture of onshore and offshore wind turbines can be carried out using the skills to be found in the North sea.

Using and exploiting the skills base is one of the key dynamics of any diversification strategy. As

the minister indicated, the level of skills in the industry is high, but skills shortages are the most significant constraint that the industry faces. That was highlighted by the Foresight study that was published in 2000 and by a Royal Bank of Scotland survey. The sector skills councils that cover the oil and gas industry have recently been launched and one of them was awarded trail-blazer status. That has boosted skills levels in the industry.

Key questions for the industry arise from the focus on human capital. Today's debate should be about getting more engineers into the sector. When we speak to representatives of the sector in Aberdeen, Fife or any other area, we are told of their concerns about the lack of engineers, the lack of people coming into engineering and the average age of people who work in the sector. We must bring more women into the sector. We must also start encouraging young people between the ages of eight and 12 to think about engineering as a career.

How can we further develop the quality and quantity of the labour markets and transfer the skills base into new and dynamic growth sectors? The interim report on the Enterprise and Lifelong Learning Committee's inquiry, which will be concluded later this year, makes substantial recommendations to the minister on work force development and technician training, which seems to be the major area in which the sector finds it difficult to recruit. We must also encourage access and, if Scotland is to remain a world leader in the industry, we must consider career and development paths for research staff.

I add my support to the Executive's vision for the industry's future. However, the Executive must ensure that diversification is focused on skills and people if it is to guarantee Scotland's position as a major centre for the oil and gas industry. We have a fantastic opportunity ahead. As Elaine Thomson said, we are at a crossroads. It is vital that we grab the opportunities with both hands.

10:48

Brian Adam (North-East Scotland) (SNP): Today we have heard that the minister is enthusiastic about the idea of an energy institute. He has even given a broad hint that Aberdeen might be seriously considered as its location. However, I am disappointed that, although it has taken so long to reach this stage, we have still not had the announcement. An opportunity has been missed. Today is the day and this is the place where we should have heard about the institute. Parliament should have been informed about it. Scottish Enterprise should not have been left to make an announcement about the principle in Glasgow tomorrow. The announcement should

have been made here, because the minister is accountable to the people through the Parliament, not through an agency.

Iain Gray: Alex Neil raised the same point as I was coming back into the chamber. Scottish Enterprise will announce its operating plan tomorrow. The operating plan will outline the process whereby Scottish Enterprise will develop plans for the three intermediate technology institutes, of which the energy institute will be one. In other words, Scottish Enterprise will be announcing its work plan, a significant core of which relates to work towards the plans for intermediate technology institutes.

Brian Adam: I thank the minister for that helpful comment. I gather that we are still at the blueprint stage—we are still at the drawing board. That is the point that we were at in November 1999 when, in response to a point that I made in a debate, the then Deputy Minister for Enterprise and Lifelong Learning, Nicol Stephen, suggested that the establishment of a centre of excellence for the oil and gas industry was a possibility. I pursued that with the then Minister for Enterprise and Lifelong Learning, Henry McLeish, and I have pursued it with subsequent ministers.

I regret that Wendy Alexander is no longer in the chamber. I discussed the institute with her following her appearance at a meeting of the cross-party group in the Scottish Parliament on oil and gas. I have written to the current Deputy Minister for Enterprise, Transport and Lifelong Learning on the issue and I have been holding discussions with Scottish Enterprise for some time.

We have had mixed signals. Sometimes we are at the point of an announcement and then we find that we are still at the blueprint stage. The point that I made earlier is that we need to receive quick responses. I have been raising the issue for more than two years, but still there has been no announcement on the institute, let alone where it will be based.

We need to develop the skills that we have. Significant new technology is coming out of the North sea. The space industry spawned a series of benefits for society in general, not least of which was Teflon, and we ought to look more broadly at the benefits from the oil and gas sector. Rather than just move our engineering skills to the renewable energy sector, we should look in a much broader way at how we can transfer technology for the benefit of mankind in general. That will bring the benefits that we want in terms of jobs.

Elaine Thomson: Does Brian Adam agree that the oil and gas industry needs to address the fact that it is sending out mixed messages while it has

skills shortages and is having difficulties in recruiting engineers? One minute it lays people off and the next it says that it requires people. That is not helpful in trying to attract young people into the oil and gas industry.

Brian Adam: The tax changes that were announced in April will do nothing whatever to help that. The number of students who are signing up for science and technology courses in our higher and further education institutions is reducing. That is a major disappointment. We have to make changes and the Government can influence that.

I would like a more positive approach to be taken to the development of the institute. I have raised the issue consistently over the past two years. I am delighted that the industry is behind the establishment of an institute. Here in Aberdeen, there is a strong commitment to an energy institute. We have all received representations from the local economic forum. I welcome the paper that the forum provided. There is no doubt that locations are available and that the academic institutions and the industry support the establishment of an institute.

I cannot understand why on earth we have not today heard an announcement on the establishment of the institute. I thought that that was the whole point of the debate. If we are to go through the exercise again in the autumn, which is what seems to have been indicated, that is well and good, but let the announcement be made then. Let us have the institute and let us get on with developing the skills and the advances that exist in this highly skilled technological area, so that we have sustainable jobs for the future, not just in renewables, but in the wider engineering field.

The Deputy Presiding Officer: Before I call Nora Radcliffe, I inform members that, on three occasions in Aberdeen, members have left the chamber within one minute of making their speech. If explanations are not given, that is disrespectful to the Parliament. The Presiding Officers will be writing to the members concerned.

10:54

Nora Radcliffe (Gordon) (LD): As has been said, it is appropriate that we should debate the future of the oil and gas industry in Aberdeen, because this city is the oil capital of the UK. As Iain Gray said, the people and prosperity that have been brought to the north-east through the exploitation of the oil and gas reserves under the North sea have made Aberdeen the city that it is today.

However, as other members have said, we should not forget that Aberdeen and its hinterland

formed a prosperous and thriving area before oil and gas were exploited and had a successful economy based on shipbuilding, trading, textiles, farming, fishing and education. Aberdeen has been a centre of academic excellence since medieval times. We are in King's College, which was one of the two universities—the other was Marischal College—that flourished in Aberdeen when the whole of England had only two universities. Aberdeen has two universities today—this ancient University of Aberdeen and the Robert Gordon University, which developed from the world-renowned Robert Gordon Institute of Technology.

Aberdeen has other academic and research institutions that lead the world in their fields, such as the Rowett Research Institute, the Macaulay Institute and the marine laboratory at Torry. Aberdeen College is the largest further education college in Scotland and Banff and Buchan College of Further Education, which has been mentioned, augments the provision of skills training. All those positive factors add up to a strong case for siting the proposed energy research institute in Aberdeen.

Alex Neil: I do not disagree with the member, but if the proposed tax increase goes ahead—as appears likely—it will raise about £7 billion in additional revenue between now and 2010. Does the member accept that a large chunk of that £7 billion should be earmarked for investment in the north-east of Scotland's infrastructure?

Nora Radcliffe: I do not disagree, but it is not in my power to deliver that.

The other element of the motion that we are allegedly debating concerns the potential benefits to the Scottish economy of diversification of the offshore oil and gas industry. Some of those benefits will be felt in the oil and gas sector in other parts of the world, as we export the knowledge, skills and expertise that have been developed in the North sea. Other benefits will be felt in extending the industry's innovative technical solutions to other industries. For example, having developed the ability to drill horizontally at depth to exploit the further reaches of pockets of oil and gas, we were able to use that solution in the gasification of coal seams.

We have debated at length the transferability of the skills and expertise that are needed to exploit oil and gas to the development of renewable energy. We should not forget that part of that expertise is on venture funding, which is available in great measure in Aberdeen.

The arguments for the potential of renewables have been well rehearsed. The Danes have felt the economic benefits of taking up and developing

wind technology. Similar prizes are available for us through other renewable energy options, but they will not fall into our laps—we must reach and work for them.

Existing offshore installations show what has been done, but they are built to cope with the power of wind, waves and tides, not to capture it. Therefore, much work must be done on the development of installations that are robust enough to perform a different function in a hostile marine environment. The area of greatest potential—the Pentland firth—is as hostile as it gets. However, we were once famous for our heavy engineering and shipbuilding skills. We are uniquely placed to cope with the situation.

Yesterday morning, I attended a seminar at the RGU on the future of the oil and gas sector in the next 20 years. Brian Wilson's remarks at that seminar indicated some impatience with the long time that it is taking to translate research and development on wind and wave technology into commercial application. At least in part, that long time frame relates to the level of investment that the Government has made into research on renewable energy. Brian Wilson may be able to do something about that.

Scotland's economy will benefit directly from oil and gas production for many years and from the opportunities that are offered by diversification into the export of knowledge and skills to oil and gas sectors overseas and into the development of the new renewable energy technologies. Private enterprise can and will progress that, but the public sector must ensure that the infrastructure exists to enable private enterprise to do so, including physical infrastructure, the grid, road and rail, information technology and the provision of training opportunities to ensure that the skilled labour force exists. That infrastructure also includes decent support for research, preferably in part through an institute that is based in Aberdeen.

10:59

Robin Harper (Lothians) (Green): In May 1959, I was sitting in this very library at the University of Aberdeen. I was probably revising, no doubt desperately, for my economic history examination—

Brian Adam: Was it a resit?

Robin Harper: Not in May—come, come.

At that time, I could not have imagined that I would return to the library as a member of the Scottish Parliament for a debate on energy. I relish the occasion.

When I listen to people expressing the opinion that all the parties seem to share that we should be stripping the North sea of its assets as quickly

as possible, I find myself becoming a little bit nervous. There seems to be a lack of policies to deal with depletion worldwide. We seem to be keen on getting out as much oil as possible, as quickly as possible and making as much money out of it as possible. That does not square with our commitment to Rio, to reducing dependency on fossil fuels and to reducing the amount of CO₂ that we are putting into the atmosphere. That, however, is by the by.

Nora Radcliffe referred to the two debates on energy and renewables that the Smith Institute held this week. Following one of the debates, I asked Brian Wilson about the £260 million that Westminster is to make available for research and development into renewables and perhaps for capital costs. It could be said that £260 million is not a lot of money—indeed, if we were prepared to economise on energy efficiency, landscaping, public access and sourcing of materials, we could probably build a Parliament for £260 million. However, if the oil companies were prepared to chip in just 1 per cent of the money that they are prepared to put into North sea investment, the amount of money available for renewables would be doubled.

Brian Adam: Does Robin Harper agree that the recent increases in taxes will make that less likely, especially as many of the oil majors now regard themselves not just as oil companies but as energy companies as they look to the future and consider depletion?

Robin Harper: No, I do not agree. I have listened to what Labour has said on the subject. The arguments, particularly in relation to royalties, suggest that the tax increase will be relatively neutral in its effect on the oil companies. The SNP is jumping up and down in panic on the subject.

Iain Gray: Perhaps Mr Harper will acknowledge that, following the renewables obligation, the private sector has invested something like £1.5 billion into renewables. Does he acknowledge that the measures that have been taken are leading to exactly the sort of levels of investment that he and we want to see in the new developments in energy?

Robin Harper: I can do nothing other than accept the information that Iain Gray has given to me. However, I want to ask the oil companies—the BPs, Amocos, Essos, Shells and Texacos of this world—whether they are consulting their shareholders with a view to becoming energy companies over the next 30 years. I want to ask them whether they will take a much greater part in the development of renewables than they are doing at present. I would love to have heard Wendy Alexander deliver Iain Gray's speech three years ago—we are still slow off the mark.

I would swap all the extra work that the oil companies are putting into small environmental projects and into developing environmental education for investment in the development of renewables. After all, education and small-scale environmental projects are the responsibility of the Scottish Executive. If the companies put the same effort and commitment into developing renewables, I would be happy to dispense with the welcome assistance that they have given to education and small-scale environmental projects.

I would like to see evidence of an effort to bring together wind, wave and tidal power. That is another issue that the energy institute could address. From my work with the Scottish Parliament renewable energy group, I know that those forms of energy have been developing separately. I would welcome the construction of giant installations out in the North sea that would combine wind, wave and tidal power. I hope that such imaginative and aspirational ideas will emerge from the institute, which is itself a welcome development.

Finally, I ask the Executive to come up with a strategy to recruit more engineers from schools into universities, because the lack of engineers is a serious problem.

11:06

Cathy Peattie (Falkirk East) (Lab): It is lovely to be in Aberdeen, which has strong links with my constituency. Falkirk East includes Grangemouth, which is the heart of Scotland's petrochemical cluster and refines much of the oil that Aberdeen's oil and gas industry helps to extract. As in Aberdeen, the level of oil and gas-related employment in my area is much higher than the Scottish average, with several thousand jobs directly—and many more indirectly—dependent on Grangemouth's petrochemical industry.

Furthermore, like Aberdeen, there is also a large multiplier effect in the local economy. When BP cuts hundreds of jobs, thousands of jobs are lost locally.

Alex Neil: My question is similar to the one that I asked Nora Radcliffe. Given that the additional tax will raise £7 billion between now and 2010, does the member support the proposal that a percentage of the money should be earmarked for the implementation of the Falkirk action plan?

Cathy Peattie: Although I have no reservations about social taxation—it is a good way of gathering money—it is a reserved matter.

Alex Neil: That was not my question.

Cathy Peattie: Well, that is my answer.

Like Aberdeen, my area needs to diversify in the

interests of long-term economic stability. It might seem paradoxical that oil companies are shedding workers at a time when there is also a skills shortage. We need to improve training opportunities for workers. I do not mean that we should simply encourage more people to take scientific and engineering degrees and other academic qualifications; there is also a pressing need to expand craft-orientated training to provide us with fitters and techies. We have to find out how we can get people in overalls on to sites. Indeed, as people in industry tell us, that is where the problem lies.

We must also think about the messages that we give our children about looking for careers in the industry, and we need more opportunities for people to develop skills through job-related training programmes such as modern apprenticeships. We must also ensure that such opportunities are accessible and attractive to women. Despite all the work that has been done, we still exclude half the potential work force. We should appreciate the tacit skills that people gain through experience and ensure that they are not wasted through the vagaries of the job market from redundancies to early retirement. The oil industry in my area has a long tradition of making people redundant when they reach 50. What is the point of losing skills that we need to keep in the industry? Instead of the casualisation of the work force and the increasing numbers of contractors and subcontracted labourers, we need a stable work force with a continuity of knowledge and experience and the health and safety benefits that that brings.

As effective diversification has to build on the tacit knowledge of the work force, I welcome the Scottish Executive's plan for an energy research institute and hope that the scope of its activity will include the broader considerations of diversification policy and the impact of changes in energy policy. That will ensure the future well-being of areas such as Grangemouth and Aberdeen.

11:09

Mary Scanlon (Highlands and Islands) (Con): Unaccustomed as I am to speaking in oil and gas debates, I want to make three very brief points. I dare say that, over the past two decades, members will have become aware of the SNP's claims that oil revenues to Scotland are phenomenally wonderful and stable, and form a basis for independence or separation.

The final page of the Scottish Parliament information centre briefing paper illustrates how taxes and royalties attributable to UK oil and gas production vary and what a volatile source of revenue they are. The figures for 1985, which are

often used by the SNP, show that the revenues were more than £12 billion. The figures for 1992 show that the revenues were just over £1 billion. When we are debating in a mature and professional manner the royalties from UK oil and gas, I ask the SNP to take as the basis for its argument an average over 10, 20 or even 30 years rather than simply the high revenues of 1985.

Mr Lloyd Quinan (West of Scotland) (SNP): Does Mary Scanlon agree that the instability in the oil market is created by the fact that the United Kingdom Government is not a member of the OPEC? If we were a member of the OPEC, that would create stability in the market.

Mary Scanlon: The one thing that would not create stability is an SNP policy based on variable and volatile oil revenues.

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): If Mary Scanlon wishes to talk about aggregates and averages, does she accept the figure that her own minister in Westminster gave, showing that Scotland had given a net contribution of £27 billion to the Treasury? That was William Waldegrave; she may remember him.

Mary Scanlon: Alasdair Morgan may care to look at the figures in the SPICe briefing paper that I am looking at. We can agree or disagree about them, but I have the Inland Revenue figures as well.

My second point is about the Highlands. In the first year of the Parliament, there were 3,500 redundancies from the Barmac yards at Nigg and Ardersier. I noted that Iain Gray mentioned Motorola. Although we all have sympathy for people in the central belt, 3,500 redundancies can have an enormous impact on a remote and rural area. The rate of unemployment in the Highlands may not look too bad at around 4 per cent, but there is undoubtedly hidden unemployment and underemployment in the Highlands and Islands, given that many people are not using the skills that they have. In addition, many of the former Barmac workers are on short-term contracts abroad. The Ardersier yard is still in mothballs, but the expertise would be there if the contracts came back to the Highlands. That is an important point that is not necessarily shown in the unemployment figures.

My final point is that there is enormous investment, innovation and creativity in the oil industry in Aberdeen. There is also scope for diversification and for the work that the planned Scottish energy research institute will do. None of us can doubt the expertise that has been gained in the north-east and throughout Scotland. Last week, a cross-party delegation of MSPs went with Baroness Smith to the very poor region of

Smolensk in Russia. I would like to think that we could export our skills and expertise to countries with natural oil resources to allow them to gain the revenue streams to build their infrastructure and build economic prosperity.

11:14

Alex Neil (Central Scotland) (SNP): I begin by making two points about the proposed energy institute and the other two institutes that are to be set up. First, I want to put down a marker with members of the Parliament, and indeed with every politician. The whole purpose of those institutes is that they are long-term projects that operate in high-risk ventures. If they are operating in high-risk ventures, some of those ventures will fail. I hope that, when the first failure comes along, members will not condemn the institutes out of hand because they have had a failure.

The whole purpose of the institutes is to take risks, innovate and do something that no one else is doing. There is all-party backing for the institutes, but as politicians, we should not be small minded when it comes to having to back them if, for example, the *Daily Record* and others are baying for their blood because they have lost £1 million here or £1 million there on failed ventures. We must back the institutes to the hilt to get real value for money over 10 to 20 years.

My second point is that Brian Adam is right. We have talked about the institutes for far too long. If I were Iain Gray, who is the new minister, I would send a memo today headed "Action this day" to Bob Crawford at Scottish Enterprise. The time for talking and planning is over; it is time for action. Time is moving on. All our international competitors are investing rather than talking. They are doing. They have institutes up and running and will outpace us if we do not move quickly. I am sure that the minister will have the support of every member if he tells Scottish Enterprise to get its finger out and get things moving—in Ayrshire parlance—in respect of the institutes.

I want to talk about the oil and gas sector. With all due respect to Mary Scanlon, whom I love dearly, I say that I have never heard so much hypocrisy in the chamber. She is a Thatcherite who is complaining about oil revenues. If it had not been for oil revenues, Thatcher would never have been able to subsidise the south-east and do all the things that she did in those miserable 18 years.

Mary Scanlon: I did not complain about oil revenues. I pointed out that the SNP is selective in choosing years to suit its purposes. I asked the SNP to take an average over 20 years—I certainly did not complain.

Alex Neil: On Wednesdays, the lottery jackpot

is £3.5 million. It is usually £6 million or £7 million on Saturday nights—in fact, this Saturday, there is a jubilee-guaranteed £10 million. If I win the jackpot on Saturday night, I will not turn it down because it has varied since Wednesday.

I remember the arrival of the first drop of North sea oil. The unionists told us that it would not last a year or two years. Then they spoke of five years. When it started to flow, they said, “You can’t go independent because Scotland will be too rich if it is independent. There will be too much money, the exchange rate will go through the roof and the Scottish economy will be destroyed.” They then said that the oil would last only 30 years. This morning, they admit, 30 years after production started, that there is as much oil left in the North sea to exploit in the next 30 years as was exploited in the previous 30, and that is without taking into account reserves in the Atlantic ocean. We are the mugs of Europe. What other nation has discovered oil and become poorer as its oil flowed faster?

Mary Scanlon was in Russia last week. She should go to Norway, which is a wee, independent country with a population of 5 million. It is rich in oil and has nearly full employment.

Rhona Brankin (Midlothian) (Lab): Will Alex Neil give way?

Alex Neil: Unfortunately, I do not have time. I would love to take Rhona Brankin on on this matter.

The health service in Norway is so well off that if someone has a bronchial condition or a skin condition that would benefit from a period in the sun, the health service sends them to Portugal or Spain for a fortnight. I give fair warning to the unionist parties that if we put that in our independence manifesto, they are finished for ever.

11:20

Rhona Brankin (Midlothian) (Lab): I am delighted to be in Aberdeen this week. Like Robin Harper, I studied in Aberdeen for four years and I lectured at Northern College in Aberdeen. It is particularly appropriate that we are having this debate in Aberdeen. As many members have said, of the 110,000 jobs in the gas industry in Scotland, 75,000 are in the north-east.

Not only is Aberdeen a production centre, it is gradually turning into a global centre of excellence for oil and gas related technologies. We keep predicting the demise of the Scottish oil and gas industry, but its lifespan keeps on disappearing over the horizon. Developers now predict that there will be viable production until 2040. Huge improvements in geophysics and new seismic

techniques make it possible to exploit what were previously difficult fields. Measures that Brian Wilson has introduced will enable smaller companies to exploit reserves in which the bigger players have lost interest.

Oil and gas are set to continue to play a vital role in energy policy for the foreseeable future. The Cabinet Office energy review document recognises that. However, there are challenges ahead for the sector. More than 50 per cent of the North sea reserves remain to be recovered and many of the reserves require hugely complex technologies to access them. In addition, concerns exist about the potential environmental costs of oil extraction west of Shetland. If we are to benefit from oil and gas self-sufficiency in the future, we must develop ways of measuring the profile of any projects, both in financial and economic terms and in social and resource terms.

Richard Lochhead: The member talks about impact assessments of new projects and so on. Does that not reinforce the case that the introduction of the 10 per cent tax should be delayed until an economic impact assessment of it has been carried out?

Rhona Brankin: Is the member aware that UKOOA welcomes the proposed abolition of royalties, which benefits old fields, and that it welcomes tax relief on capital, which helps new fields? Will Richard Lochhead stop his persistent bickering? Last year, the oil and gas industry produced record revenues. It is a vital industry for the future. The Government, at a Scottish and UK level, recognises that.

There are challenges ahead for the future. We need to benefit from oil and gas self-sufficiency, but we need to consider the implications in terms of financial, environmental, social and resource costs. I draw the attention of the Parliament to the pioneering work that is being done at the University of Aberdeen by Professor Jan Bebbington, along with BP and Genesis Oil and Gas Consultants. Professor Bebbington is an expert in social and environmental accounting. She and her team have come up with something called the sustainability assessment model. It is important, in the context of the Government’s commitment to putting sustainability at the heart of policy making, to examine that pioneering work. It is also essential that a future energy institute considers sustainability issues.

Like my colleagues, I welcome the Scottish Executive’s commitment to develop an energy institute in Scotland. The challenge is to develop sustainable energy policies for the future, because oil and gas reserves will not go on for ever. We could face a significant energy gap in Scotland in the medium term, with the closure of coal-fired power stations and Hunterston B. The challenge

for all of us in Scotland is how to bridge that gap.

Andrew Wilson: Will Rhona Brankin give way?

Rhona Brankin: No, thanks.

The recent research that was commissioned by the Scottish Executive has demonstrated the massive potential of renewable energy. The stunning statistic is that there is enough potential energy from onshore wind power to meet Scotland's peak winter demand for electricity twice over. The potential renewable energy resource is around 60 gigawatts, a great majority of which would come from offshore and onshore wind power and wave and tidal energy.

Scotland has a massive role in energy issues. World-class research is being done in our universities. I pay tribute to the quality of the research that is being done in Aberdeen. Our challenges are to support the research and development, to get projects piloted and to get them commercialised. I welcome the Executive's support for the marine energy test centre in Orkney.

Aberdeen is uniquely placed to diversify into the renewables sector. Research on renewables shows that offshore wind power alone could contribute up to 25 gigawatts of the total of 60 gigawatts that could come from renewable energy. The expertise on oil and gas in Aberdeen provides a huge opportunity to develop that potential.

Scotland must aim to be a world leader in renewable energy generation and to be a global centre of excellence for innovative energy techniques. Aberdeen is uniquely placed to lead in that field.

11:26

Bruce Crawford (Mid Scotland and Fife) (SNP): The MSPs who attended yesterday morning's Smith Institute seminar at Robert Gordon University could not help but be impressed by the message from key players in the oil industry. There is no doubt that the surprise budget announcement on taxation of the oil industry will have a dramatic effect on the energy sector in Scotland, particularly in Aberdeen. That message was absolutely clear. I do not understand some of what has been said by members who obviously have not heard that message. Senior figures in the oil industry, including the chief executives of various companies, said that the instability that the Chancellor of the Exchequer's package injects into the industry will have serious long-term implications for Aberdeen and Scotland. The impact will be not only on jobs but on strategic investment, decision making and research and development, in particular in relation to

diversification and the capacity to enter new energy fields. There will be a particular impact on the diversion of capital investment into the marine renewables sector.

Rhona Brankin: Is the member aware that Chris Freeman, who is the chief executive of Leading Oil & Gas Industry Competitiveness—LOGIC—has said about the tax change that the industry is big enough to realise that the targets are still achievable?

Bruce Crawford: For every chief executive who says that, there are 10 who say completely the opposite and talk about the damage that Labour has done to the sector.

The renewables sector's capacity for energy production and sustainable job creation in Scotland is truly outstanding. The Garrad Hassan & Partners Ltd report that was produced for the Executive, and to which Rhona Brankin referred, suggests that there is capacity for 25,000 megawatts from offshore wind power, 14,000 megawatts from wave power and 7,500 megawatts from tidal sources. Together, that represents about nine times more than Scotland's peak demand. We have no energy problems in Scotland. When Cockerzie and Hunterston B power stations shut, we will still have no energy problems.

Tavish Scott (Shetland) (LD): I accept the figures on the potential for renewable energy, but does the member share my concern that there is a considerable gap between the prices that consumers demand and the possible cost of renewables to business and domestic customers?

Bruce Crawford: That is a reasonable point, but we must remember the huge subsidy that has been put into nuclear energy over the years. If a similar subsidy is given to renewable energy, no cost factors will be involved.

The only way in which to describe Scotland's potential for renewable energy is that it is truly awesome. Progress is being made towards realising some of that potential, including the work of Robert Gordon University in the Pentland firth, the work in Islay, where hydrogen fuel that has been generated from wave power is stored, and the offshore wind facility that is based in the Solway firth. Iain Gray mentioned earlier the on-the-horizon development in the Moray firth. Those developments are exciting, but the industry is really only in its embryonic stage. The instabilities that the chancellor and his Government's fiscal policies have created will deter oil companies from putting much-needed investment capital into the young industry. If we are not careful, we could strangle the industry in the cradle before it gets going.

Additional instability has been created by the

Crown Estate and the DTI, through proposals to impose taxation on future marine wind and wave power developments. The Crown Estate proposes to tax companies that operate offshore at 2 per cent of their turnover. It might have been appropriate to examine the forms of taxation that could be introduced when the industry was established and mature, but to introduce taxation of that sort in an industry that has hardly begun its life is, frankly, cack-handed and potentially destructive.

We hear that there are proposals from the DTI to introduce a licensing system in the North sea sector for companies that are involved in offshore wind energy development. In effect, the Government is scaring off potential investors and stalling potential development. That policy and the instability are causing problems for people who are involved in the renewable energy sector. The danger signals are there for all to see. The young marine energy sector could be killed off by ill-thought-out Government fiscal policies before it gets a chance to breathe.

The Executive can beaver away and be as effective as it likes in the renewables sector, only for the UK Government to kick the legs from under it. That is what has happened following the chancellor's announcement. If there was ever an argument for passing responsibility for fiscal policy to the Scottish Parliament, it lies right here in the oil and gas sector and in the potential for renewable energy in Scotland.

11:31

Alex Johnstone (North-East Scotland) (Con):

In his opening speech, the minister used a time-honoured phrase in describing Aberdeen as Europe's energy capital. I am just old enough to remember what the north-east was like before oil was discovered and how the economy was run. It was dependent on primary industries. I was one of the few members who made the trip down to the fish market at half past 7 this morning, to see the current state of that primary industry. That explains where the smell of fish is coming from—excuse me.

When we consider the economy of Aberdeen and the wealth that is here, we must be aware of what the economy would have been like if oil had not been discovered. The primary industries have hit the skids over the past 30 years. We must think carefully about how the economy will develop in the north-east and how we can maintain the level of economic activity that exists here in the face of an oil industry that will, ultimately, decline.

In the 1970s and 1980s, we saw how local educational institutions were able to react to the need to train local people to work in the new oil

industry. The Robert Gordon Institute of Technology—as it was then—led the field in that training. I commend RGU for the work that it is doing in developing not only the technology, but the training that is required for renewables in the longer term.

What concerns me most is how we fund the development of renewables in the economy of the north-east. We cannot talk about that before addressing the tax that has been dumped on the energy industry. It is estimated that £1,000 million a year will be drawn out of the North sea oil industry over the next eight years. I was amazed to hear Labour members suggesting that the 100 per cent first-year allowances against investment might, in some way, offset that. If anything, that taught me that the Labour party does not understand—and never has understood—how businesses work.

Elaine Thomson: Will the member give way?

Alex Johnstone: The member will be aware that the extension of allowances to 100 per cent in the first year only brings forward allowances. Over eight years, it will deliver nothing for the industry.

Andrew Wilson: Will the member give way?

Alex Johnstone: I am sorry; I have limited time and there are a couple of points that I want to make.

If renewables are to be developed in the north-east, we must accept that the development of wind and wave power will have to be financed somehow. The tax increase is likely to deter companies that would be willing to invest in new research and development on a private basis. As Mr Crawford said, we have an enormous opportunity because, in the potential for wind and wave power—of which we have so much—we are surely the equivalent of Saudi Arabia with its oil industry.

If we are to achieve the transition from an oil-based economy to a renewables-based one, we must realise that oil companies must be willing to invest in technology changes. We have heard that renewables projects in Scotland are manufacturing hydrogen for use as a combustible fuel. However, to make that and fuel-cell technology, which is critical to the north-east, succeed, we must accept that in the transitional phase the fuels for fuel cells will be based on hydrocarbons from fossil sources. The transitional phase depends on the oil industry making a huge development.

We have said a great deal about the north-east economy, but Parliament must remember that the north-east contains not only the third-biggest city in Scotland, but the fourth biggest. The Dundee and Angus economy has been largely missed out of the debate, but it also depends on the oil

industry. I suggest to ministers that we should consider the impact on the economy of the whole north-east, not only on its wealthiest part, which is Aberdeen.

11:36

Brian Fitzpatrick (Strathkelvin and Bearsden) (Lab): Robin Harper conjured up the wonderful image of fantasy speeches, which gives the chance to choose someone to give someone else's speech. I was certainly tempted to join in, given Mr Johnstone's speech, but if Robin Harper does not mind—and as he is not here, he cannot—I will give my own speech.

It is apposite that the first democratic Scottish Parliament—not lairds or bishops—to meet in Aberdeen should do so in the University of Aberdeen. As we read Mike Watson's rather lengthy letter today on the Euro 2008 bid, we should bear in mind the important work on Scottish-Irish links that is delivered in the university by Professor Tom Devine and his team. Tom knows how proud of him his family is.

Alex Neil—who I think has also quit the scene, although I think that that is not because of his lottery application for the weekend but because he has departed for elsewhere—made an important point about innovation and diversification for the proposed institute. I, for one, join him in taking on board the issues around risk aversion and not immediately running to judge when industries fail, particularly in innovative areas. I ask the minister to bear in mind the fact that the protection of international property rights for universities, research groups and participants from the oil and gas industry should sit at the centre of the proposed institute.

The debate has been interesting. David Davidson spoke about his concerns over job losses. There are serious concerns about the impact of decisions. Of course, his party has a lengthy list of previous convictions on job loss scares, so we will perhaps pay slightly less attention to anything from that quarter. The minimum wage would cost us 1 million jobs, the Conservatives said. One million extra jobs later, no apology is forthcoming. As we rolled forward our welfare-to-work agenda, the Conservatives said that the working families tax credit was an expensive gimmick that would not encourage people into work. Of course, that came from a party that said, to its eternal shame, that 3 million unemployed was a price worth paying.

Mr Davidson: Today is supposed to be about the oil and gas industry and the renewables centre. We can go through the history if Mr Fitzpatrick likes, but my concern is the future of this great area of Scotland and of the Scottish

economy. Instead of telling us about history, perhaps Mr Fitzpatrick will tell us what he thinks of the massive tax hike that his chancellor has inflicted on the industry and its future effects.

Brian Fitzpatrick: I am sure that we will get a belated apology at some stage, but obviously not from this particular shadow front bench.

Government is about tough decisions—there is no doubt about that. We have heard and acknowledged concerns. However, balances need to be struck for any project. The moneys that are being secured will not disappear. They are going into infrastructure across the UK—schools, hospitals, roads and the kind of innovative projects that we are talking about in relation to research and development in the North sea.

On the proposed energy research institute, I impress on ministers—with due reference to my entry in the register of members' interests—the fact that health and safety must remain a top priority for the offshore oil and gas industry. We know that health and safety improvements have been made since the Piper Alpha disaster in 1988, but there is a need for further improvement even against the backdrop of improved industrial relations.

The Deputy Presiding Officer (Mr Murray Tosh): I call David Mundell to wind up for the Conservatives. You have five minutes.

11:40

David Mundell (South of Scotland) (Con): I join everyone who has spoken in saying that I am pleased to be able to debate this subject in Aberdeen. It would have been appropriate if more had been said about the proposed energy research institute. We got only confirmation that there will be a further announcement about the announcement, which will be followed by a further announcement, giving the media as many hits as possible in the run-up to next year's Scottish Parliament elections. For the sake of the Labour party, there will have to be a positive announcement in the north-east, because it will have a lot of explaining to do in respect of the chancellor's imposition of what is, in effect, a 33 per cent rise in corporation tax. As many members have noted, the rise arrived without any consultation and probably without any discussion with members of the Cabinet.

Andrew Wilson: Will the member clarify how he arrives at the figure of a 33 per cent rise when corporation tax has been increased by 10 per cent? I was confused when I read that in the amendment.

David Mundell: As I have only five minutes, I will respond to Andrew Wilson in writing, noting

that he did not respond to Wendy Alexander's detailed question. Of course, he never responds to any questions about the instability that the SNP would bring to Scotland's economy. I know that the SNP says that if the oil and gas industry can cope with Azerbaijan, it can cope with an SNP-run Scotland, but that is not a basis for putting forward economic policies and promoting the industry. Although Mr Quinan might have some contacts in the Arab world that would get us into the OPEC, Alex Neil repeated the SNP's old 1970s slogan, "It's oor oil," as if that will sort everything out. That will not sort everything out and the oil and gas industry has no confidence in the SNP's ability to do any better than the Labour Government.

Today, our friends in the Liberal Democrats have perpetrated one of the most cynical acts that I have ever seen. No wonder the expressions of many Labour members show clearly that they are thinking, "Why are we in coalition with these people?" What did the Liberal Democrats do? They did not have the guts to stand up for their beliefs and lodge an amendment that might—

Mr Rumbles: Will the member give way?

David Mundell: Not at the moment. Tavish Scott can deal with the point when he winds up.

In lodging his amendment to the SNP amendment, Mr Rumbles has ensured that his amendment cannot be passed, because the SNP will have to vote against it. It will not be voted for by a majority of parliamentarians who might well share its sentiments. The lodging of the amendment is a cynical ploy to make a gesture to the Liberal Democrats' supporters in the north-east and it is a clear manifestation of the party's inability to stand up for its principles. If the Liberal Democrats truly believed—

Mr Rumbles: Will the member give way?

David Mundell: Tavish Scott can deal with the points that I am making when he winds up.

Mr Rumbles: The member is feart.

David Mundell: I am not feart of Mr Rumbles and to prove it I will give way.

Mr Rumbles: Has David Mundell read the amendment in my name? It notes

"the Liberal Democrats' opposition to the 10% increase in taxation".

That opposition is shared by Liberal Democrats in Westminster, the Scottish Parliament and in the north-east. We are doing everything that we can to oppose the tax rise in the place in which it should be opposed, which is the House of Commons.

David Mundell: Mr Rumbles is not doing that. If he had wished to do that, he would have lodged an amendment to the Executive motion. He has lodged an amendment to the SNP amendment to

ensure that it cannot be passed and to ensure that Liberal Democrat ministers can remain in office, despite the fact that the minister rubbished everything that has been said about the impact of the tax on the industry. Such cynicism is typical. I hope that, for once, people in the north-east, rather than reading Mr Rumbles's press releases, will read the text of what has been said in the Parliament, so that they will know the true duplicity of the Liberal Democrats on the issue.

During their 18 marvellous years in Government, the Conservatives fully supported the oil and gas industry and were against the Labour policies of the time, which would not have given the industry the degree of support that it has. That is why the oil and gas industry is in a positive position. However, that position is hard, because the industry competes in a global economy and decisions are made on a global basis. In Scotland, we must create the most attractive environment to encourage investment. By the chancellor's budget provisions and by its failure to invest in infrastructure, Labour is failing to deliver that environment.

I support Mr Davidson's amendment.

11:46

Tavish Scott (Shetland) (LD): As a Shetlander, it is a great pleasure to be in Aberdeen. Normally, Shetlanders in Aberdeen are known by the Marks and Spencer bags that they are carrying back to the boat at 10 minutes to 5 every night.

The other side to being a Shetlander in Aberdeen on which I must comment is the "oor oil" stuff, although Winnie Ewing has left and she will probably be slightly taken aback or annoyed by what I have to say. In the 1970s, I distinctly remember her standing in a Lerwick hostelry pronouncing firmly on the importance of oil to Scotland and how it was "oor oil". A Whalsay fisherman tapped her on the shoulder and said, "Winnie, it's no your oil; it's wur oil." The SNP never recovered from that in Shetland.

There are a number of good reasons to be in Aberdeen. It is a great pleasure to join other members in commenting on what a fine job the University of Aberdeen and the other bodies that are hosting us have done this week.

The debate is important. To debate oil and gas in Aberdeen is right, as other members have said. It is the energy capital of Europe, and I hope that it will become the energy capital of the world, although I acknowledge Houston's role as that. Local members have made much of Aberdeen's credentials on that point, and I will not repeat those credentials.

I will make the technical point that, when

considering how investment matters to the oil and gas industry, it is important to acknowledge that, 20 years ago, the Forties field in the North sea had an oil recovery rate of 42 per cent. Today, the Forties field has an oil recovery rate of 63 per cent. That shows how much the oil and gas industry has changed and how much future investment matters. We are not debating investment for today, we are debating investment for the future.

Brian Adam: Does Tavish Scott, as a member of an Executive party, share my concern that, although we are in Aberdeen—the oil capital of Europe—and having a debate about energy, we have had no announcements about Government action on jobs or on the much-mooted energy institute?

Tavish Scott: I would certainly like such action to be announced quickly. However, I heard on BBC Radio North East at 10 minutes to 7 this morning that Brian Adam was leading the debate, not just that he was opening the debate for the SNP, when he did neither. I see that he is speaking from the back benches. David Mundell has criticised others for their press releases. Brian Adam's press release yesterday was perhaps a little presumptuous in saying that he was leading the debate.

Mr Gray, in his opening speech, made a number of important points. He also had to deal with a bizarre intervention from Richard Lochhead on Scottish jobs in the oil industry always being in Scotland. It is important for Scotland that groups such as the Wood Group and Halliburton have Scottish jobs.

Richard Lochhead: Will Tavish Scott give way?

Tavish Scott: No. Richard Lochhead has made his point. It was a terrible point. I will deal with it. It is important that the Wood Group and others are based in Houston and Venezuela. Those are Scottish jobs and Scottish companies doing really well throughout the world. I am proud of that.

Andrew Wilson: The member misses the point entirely. The point that Richard Lochhead was making was that, although the industry was located in and comes from the north-east, many of the key decision-making jobs are in London because that is where Government and industry are predominantly based. Does the member not agree that we should reverse that tilted playing field, which works against the interests of the Scottish economy?

Tavish Scott: I do not think that the playing field tilts against the Scottish economy, given the importance of oil and gas to Aberdeen. The decisions that the Wood Group makes, for example, are made in Aberdeen. We should recognise that and we should, as Alex Neil did,

seek to celebrate what we do well here, instead of running down various aspects of the industry.

Rhona Brankin: Will the member take an intervention?

Tavish Scott: I ask Rhona Brankin to forgive me. I would like to push on.

The Deputy Presiding Officer: One minute.

Tavish Scott: The skills gap, as Marilyn Livingstone and other members have mentioned, is important, but, as you said "One minute", Presiding Officer, I will skip all that.

Let me deal with the politics. I take no lectures on cynicism from the Tories or from David Mundell. The Parliament has a way of dealing with such issues. The issue of National Air Traffic Services—NATS—for example, on which I distinctly remember Mr Tosh speaking rather forcibly, was one on which the various parties had different views. That is the way it should be on reserved matters.

It is entirely right that Labour back benchers speak in favour of the chancellor's budget—the chancellor is a member of their party, and they should speak to the matter accordingly. I am not clear, however, about whether ministers have come to a collective view on the effects of the budget on the oil and gas industry. Those effects need to be borne in mind.

This is an important opportunity to raise issues relating to the oil and gas industry in Aberdeen and in Scotland—and in my constituency of Shetland. Representatives of the industry have said important things about the budget, which need to be taken into account. Other members have referred to the Smith Institute seminar, which some of us attended yesterday. John Browne, the chief executive officer of BP Amoco, made specific reference to those factors. Brian Wilson was sitting next to him, and I am sure that the points made were taken on board.

The matter is reserved, and it is the responsibility of our Westminster colleagues to take it forward. That is why we have lodged an amendment, which is what the Parliament should vote for.

11:52

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I will refer briefly to oil tax revenues, which were mentioned by Mary Scanlon and others. Apparently, they have gone up and down over the years. I find it rather strange that that should be seen as a negative. Presumably, Mary Scanlon would like to close the stock market, because that goes up and down too. I am sure that Tommy Sheridan would like that. At least we heard an admission from Alex Johnstone that Tory

policies smelled of fish.

Mary Scanlon: Will Alasdair Morgan give way?

Alasdair Morgan: No, I must press on.

One thing is certain: as Alex Neil said, Scotland as a whole has not benefited from North sea oil to the extent that it should have done, although manifest advantages have come to the particular area. Too much has gone to bankroll successive Westminster Governments over the years.

We have spoken quite a bit about diversification, but we should not forget about the main industry. UKOOA estimates that about £26 billion barrels have been produced; another 19 billion barrels have been discovered but are yet to be produced; and an estimated further 12 billion barrels have not yet been discovered. We are not even halfway in exploiting the resources in the North sea area—and that is not taking the continuing enhancement of recovery techniques into account.

I am surprised that the Minister for Enterprise, Transport and Lifelong Learning, in his opening speech, made virtually no reference to the subject of our amendment. That was left to back benchers from other parties. I am surprised because the future development of the oil industry and the prospects for its diversification surely depend on its economic health, now and in the future.

I will pick up briefly on Robin Harper's point about depletion policy. I suggest that if we did not produce oil from the North sea, the effect would not be a reduction in our national consumption of oil; it would simply be an increase in production elsewhere.

On the costs of producing in the North sea, we must be aware that we are not operating in an environment that automatically gives businesses lots of profits. The chair of ExxonMobil recently said:

"I can confirm that unit costs for our UK North Sea production are at the upper range of ExxonMobil's worldwide portfolio".

The UK has high costs of development compared with other places. Wood Mackenzie ranks the UK continental shelf as 58th out of 59 operating provinces in terms of cost.

We cannot take investment and new developments in the North sea as a given. Many of the more innovative developments in recovery techniques are undertaken by small Scottish companies. They often depend crucially on venture capital and are therefore much more likely to be hit by any measure that diminishes investor confidence.

As Andrew Wilson pointed out, the lack of consultation on the chancellor's proposals and the fact that no assessment was made of the

economic impact or the impact on employment in the industry are major problems. The minister said that the industry needed fiscal stability, which is a strange way to describe a sudden tax increase after a two-year review that said that change was not necessary.

Rhona Brankin: Will the member give way?

Alasdair Morgan: No, I must press on.

Some members of the Government seek to minimise the effect of the tax changes. In that case they should agree with our amendment. If they are right, let us have a moratorium, let us have a full assessment and let us go ahead on the basis of that. To not agree to the SNP amendment would be to miss an opportunity.

To prosper in the conditions that we have, we need stability and the greatest possible certainty. World factors make oil production difficult to plan ahead for anyway, without Governments compounding those difficulties. Not only do we not have stability, but we do not have certainty about the Government's proposals, in the light of the uncertainty caused by what it has said about royalties.

The minister said—I think when he intervened on Andrew Wilson—that some firms said that the changes would benefit them. It is hardly surprising that, in an industry as complex as that of North sea oil, not all firms are affected identically. Is the minister saying that, on balance, the tax is neutral? Is he saying that the majority of industry is wrong? I think not, but I am interested to hear what he will say in his conclusion. If he says that the tax is relatively neutral, I will be interested to hear what that means.

Brian Fitzpatrick said that hard choices have to be made and that, even if the industry suffered, we would get the benefits back in infrastructure investment—I hope that I did not paraphrase him too much. Most of the suffering will be in Scotland, but only about 8 per cent of the resulting infrastructure investment will take place in Scotland.

I turn to the Liberal Democrat amendment. I think that we are all agreed that the tax is a vital matter, no matter what view we take on it. Clearly, no industry will welcome a tax increase, but the industry's views deserve our attention. In response to that, we have a curious attempt by the Liberal Democrats to face both ways. Their amendment "notes" the position of their colleagues at Westminster.

We normally use the word "note" when we are against something, but want to be diplomatic and not say so. The Liberal Democrats say that they note the views of their party colleagues, but they do not support their views, far less support them

enthusiastically. So keen are the Liberal Democrats to ingratiate themselves with their coalition masters that they cannot even support their party colleagues.

Mr Rumbles: Will the member give way and let some facts come in?

Alasdair Morgan: No. Mr Rumbles should sit down.

We hear pathetic statements such as "It is not our business" or "It is a reserved matter." We wait for Sir Robert Smith et al to change Gordon Brown's mind. Whatever influence Scottish members have at Westminster, it would certainly be enhanced if the Scottish Parliament were to give them its full backing, instead of the mince that is in the Liberal Democrat amendment.

I turn to renewables, which the minister and others have mentioned and which are a major opportunity in the long run. I will make a parochial point about my constituency. I wonder whether we have the full support of the UK Government on renewables. I cite the Ministry of Defence's attitude to wind farm developments. Almost the whole of Dumfries and Galloway is under a blight as far as wind farm development is concerned, because the MOD thinks that it will interfere with the low-fly training for which the area is prime.

I hope that Saddam Hussein never finds out about that, because clearly the way to deter the Royal Air Force and any other air force that wants to fly into Iraq is to build a few wind farms. The situation is ludicrous and it is time that someone told the MOD that we need to develop renewable energy in Scotland, rather than hearing the MOD planes fly over our heads every second day. We must make progress on renewable energy. Other countries, especially Denmark, have reaped the benefits of it and Scotland should do likewise.

Several mentions have been made of the desire of oil companies to become energy firms. I worked for Shell in Aberdeen in 1979 and went on a course and at that time it was saying that it wanted to become an energy firm. All I can say is that it has taken a long time to get here.

I do not know whether I am in my final minute.

The Deputy Presiding Officer: You have actually gone past your final minute. I would appreciate it if you would wind up.

Alasdair Morgan: I will miss out a high-quality page of my speech in order to conclude. On a positive note, I welcome the progress that has been made towards setting up the energy research institute. However, as many members, including Brian Adam, have said, it is disappointing that we are not getting an announcement after all this time. Some members were under the impression that we would get the

announcement tomorrow. It turns out that all we are getting tomorrow is an announcement about the plans that might lead to a full announcement being made at some time in the future. Some members will grow a bit grey waiting for the desired announcement.

12:00

The Deputy Minister for Enterprise, Transport and Lifelong Learning (Lewis Macdonald): I am delighted to have the opportunity to respond here in the heart of my constituency to a debate on a subject of such central importance to the Scottish economy. I share with Robin Harper a particular sense of place in participating in the Scottish Parliament's first debate on oil and gas in this ancient building. Unlike Robin, I arrived in Aberdeen only in 1974, at which time this building was still part of the university library. It was a place in which one was well advised not to raise one's voice. Voices have been raised all round the chamber in a lively debate on the future prospects and potential of the offshore oil and gas industries.

Richard Lochhead: Will the minister give way?

Lewis Macdonald: The member may rest assured that I will do so shortly, but not quite yet.

That debate has been going on in this city throughout the 28 years for which I have lived here and I fully expect that it will continue for many years to come.

King's College has seen many changes over the centuries, but few have been more profound than the changes that we have witnessed since 1974. At that time, oil was a newcomer to the north-east; it was unknown and was often unwelcome or distrusted. It was widely expected that oil would last only a decade or two and would leave no trace after it had gone.

As members from all parties have indicated, oil and gas are the drivers of the regional economy and they play a key role in the economies of Scotland and the United Kingdom. They are major employers, directly and indirectly, in Aberdeen and the north-east and throughout the country. Oil and gas are as much a part of the local scene for the city's present generation as trawling and whaling were for past generations.

The story of North sea oil is far from over. We are only halfway through the process of recovering the reserves of oil and gas that lie off Aberdeen's shores. At least one more generation can look forward to the benefits of that activity for years to come. As well as acknowledging that, we should focus on what the Parliament can do to secure the benefits for enterprise and employment in Scotland of extracting the remaining resources. We should also look ahead to what we can do to

support the diversification of the offshore industries to secure future benefits from the resources that we have only begun to tap.

Richard Lochhead: I thank the minister for giving way. The minister indicated that voices have been raised during the debate. Voices were being raised about the 10 per cent tax that Westminster imposed on oil and gas profits. I ask the minister to answer a simple question. Was he or any of his counterparts in the Executive consulted by the Treasury in London before that tax was announced in Westminster?

Lewis Macdonald: I will certainly address the tax issue before I conclude my remarks and will comment on the member's particular question in the context of those comments.

Offshore renewable energy is essential in seeking the diversification of the industry. Part of that process of diversification is about exporting the expertise and intellectual capital that have been built up in the north-east over the past 30 years. It is not unusual for Aberdonians to work in the Caribbean one year and in Kazakhstan the next. We must ensure that our businesses continue to have opportunities to operate in the global economy, so that we are well placed to provide a base for the international energy industries even when our exploitable reserves of oil and gas have been used up.

Offshore renewable energy is central to the prospects for diversification. Mention has been made of the initiatives that the Executive, the Westminster Government and the enterprise networks have taken to progress that. As Mike Rumbles said, transmission and security of supply are important considerations in relation to renewable energy. Along with the UK Government, the industry regulator and the power companies, we are addressing those issues and are keen to see them resolved.

I am sorry that Bruce Crawford, who raised a question about charges on offshore wind generation, is not present at the moment. I want simply to say that the charge to which he referred is a fee rather than a tax. The fee is identical to that which is charged on onshore wind operations.

The third area of opportunity for diversification is in the translation of academic excellence into commercial opportunity. As several members mentioned, there is every prospect of the proposed intermediary technology institute achieving that. As Iain Gray said, Scottish Enterprise is developing the plans for that institute. We are all familiar with the litany of lost opportunities that the Scottish economy has experienced through the failure to turn inventions and innovations into commercial success. The energy institute will be designed to avoid such an

outcome.

I hope that the energy institute will also cement the links between the oil and gas and renewable energy sectors. By addressing the energy industries as a whole, the institute can help put us ahead of the game in supporting oil-related enterprise to make the transition to a broader and more sustainable energy base.

Brian Adam: Can the minister today give us the date on which he will announce the setting up of the institute? What will be the process for choosing the institute's location so that those with an interest can make the appropriate bid?

Lewis Macdonald: Brian Adam is not alone in raising that issue. Elaine Thomson was among those who raised the call for an early decision to locate the institute here in Aberdeen. As Brian Adam suggested, the issue should be addressed in the Parliament at a later occasion. Clearly, we want that project to move forward. The energy institute should be the beginning of a process of rolling out Scottish innovations in high-risk areas of the economy. I am not in a position to give members a date, but we have today set in context tomorrow's announcement on Scottish Enterprise's work plan. We wanted to set that announcement in the context of our approach to the energy industry as a whole.

When the oil industry arrived in Aberdeen a generation ago, the perception was that it might not be here for long. The industry was therefore not entirely welcome. The change in public perception that has happened over the past 30 years has not come easily.

As Brian Fitzpatrick mentioned, no one who lived in Aberdeen in the 1980s will ever forget the devastating impact of the 1988 Piper Alpha disaster, when many men lost their lives. The Cullen inquiry into Piper Alpha marked a turning point not only in the safety culture of Britain's offshore industries but in the Government's role in the industry. That issue was at the centre of many of the questions that have been raised during the course of today's debate. Anger over Piper Alpha compelled both Government and industry to take safety issues seriously and it compelled them to work together.

Such compulsion has not been required in recent years as the picture today is very different. The engagement between industry and government in the Pilot partnership over the past three years has been neither reluctant nor grudging. The oil and gas industry in the UK has worked closely with ministers in agreeing priorities and targets for the future. Pilot can already claim some notable achievements. Last year's targets for capital investment were exceeded by £0.5 billion while the targets for oil production were

exceeded by almost 50 per cent. I believe that those successes can be built upon and continued.

Andrew Wilson: When the minister is discussing with colleagues in Pilot how plans can be set and adhered to, he must presumably be able to bring to the discussion the fiscal context in which the industry must operate. Will the minister therefore do the job for which he is paid so handsomely by being accountable to the Parliament? Will he let us know whether he was consulted or warned or given any indication that the 10 per cent tax hike would be introduced?

Lewis Macdonald: Mr Wilson will be familiar with the normal procedure in the setting of budgets, which is that they are not discussed in any public forum. Mr Wilson will also be familiar with the confidentiality that governs the discussions that take place between the industry and Government in the forum of Pilot.

I was pleased to chair the recent Pilot meeting in London, which was attended by officials from the Treasury and the DTI and by representatives from oil industry. We work closely with the industry.

Mr Davidson: What expectation is there that the oil and gas industry will contribute to the setting up and running of the energy institute? Have discussions gone well? What is the minister's target for investment from the oil and gas industry? Has that changed since the tax hike, and has he had representations on that?

Lewis Macdonald: We certainly expect the engagement of the oil and gas industry, along with the public sector, in the development of the institute. Partnership discussions must go ahead with all the players and that is precisely why we are not in a position to predict precisely the date on which conclusions will be reached. I expect the industry—innovative and enterprising as it is—not to miss the opportunity to play its part in the proposals, which will benefit the industry as well as the wider economy.

Important issues of taxation have been raised today. As has been said, the budget contains benefits for the oil companies as well as what some perceive as disbenefits. As has been said, some companies are keen to take early advantage both of the capital allowances and of the opportunity to express their views on the other issue of royalties.

Brian Adam: Will the minister give way?

The Deputy Presiding Officer: No, the minister is on his last minute.

Lewis Macdonald: In an industry dominated by a fluctuating global oil price, the level of tax and profits is only one part of the wider picture. It is important that all who engage in the debate should bear that in mind. It is also important to

acknowledge the underlying force of one of the issues that dominates discussions in Pilot and elsewhere—the need to attract to the industry the bright, young and enthusiastic people who can continue the industry for a generation to come.

The industry has every right to express its views—and different companies hold different views. It is reasonable to make those views known, but it is also important that nobody with a concern for the oil industry should talk down its prospects or talk down the future security of employment of graduates—from this university and other universities in Scotland—who wish to enter the energy industries. To do that would be to do the oil and gas industry and the energy industries a grave disservice.

A generation in Scotland has made a living from the oil and gas industry; another generation will make that living too. I would like that idea to be the basis for a Scottish energy industry many generations into the future. If that is to happen, we have to secure the future of oil and gas in the short, medium and long term.

European Union Economic and Social Committee (Nominations)

The Deputy Presiding Officer (Mr Murray Tosh): The next item of business is consideration of an Executive motion, in the name of Peter Peacock, on nominations to the European Union Economic and Social Committee. There is also one amendment to the motion. I invite members who wish to take part in this brief debate to press their request-to-speak buttons now.

I ask Peter Peacock, who is carefully shuffling his notes and papers, to speak to and move motion S1M-3162.

12:13

The Deputy Minister for Finance and Public Services (Peter Peacock): Thank you for your delaying tactics, Presiding Officer—they were very helpful.

As members are aware, the European Union has an intricate set of institutional arrangements to try to guarantee the representation of a body of opinion from across Europe in the formulation of policy. The 1957 Treaty of Rome established the Economic and Social Committee as an advisory body to the European Commission and the Council of Ministers. The treaty prescribes a number of areas on which the committee must be consulted, including agriculture, employment, transport, social issues, the single market, education, consumer protection, health, structural funds and equal opportunities. It is a very important consultative body in decision making in the EU. The committee provides access to, and influence on, the process of decision making for a range of bodies and organisations—people who would not normally be part of the process. For example, Campbell Christie has been one of the Scottish representatives on the committee for a number of years and he has played a very important role in debates on structural funds in the committee. He has brought visits to Scotland and has influenced the debates in a way very helpful to the Scottish interest.

There are many other issues on which the committee expresses opinions that help to formulate EU policy. In addition, the European Commission or European Council can consult the committee on any matter when they consider it appropriate, and the committee can, on its own initiative, elaborate opinions on matters that concern it.

The ESC is divided into three groups: employers, workers and other economic and social interests. The UK is entitled to 24 members; there are currently 10 in group I, six in group II and

seven in group III, with one vacancy. As I have indicated, the committee's role is advisory but its work is worth while, as it ensures that views other than those of central Government are taken into account when the EU formulates its policies and takes decisions. Therefore it is very important that Scotland puts forward candidates for the available positions.

The ESC is, however, a fairly onerous commitment: plenaries can amount to 30 days per year and an active involvement in the sub-committees can increase the commitment significantly. At present there is one Scot, John Little, in group I and one Scot, Campbell Christie, in group II. The term of the current committee comes to an end in September 2002. The Scottish Executive is responsible for making proposals to the Scottish Parliament on nominations and that is why we are debating the Executive motion.

The Department of Trade and Industry has lead responsibility for appointments to groups I and II and the Foreign and Commonwealth Office co-ordinates group III nominations. In turn, the departments submit their proposals to the Foreign Secretary, who will provide a consolidated list for the Prime Minister's approval in June.

A range of Scottish organisations has been consulted. On 10 May, 23 organisations were issued letters inviting them to make nominations, with the request that the Executive receive those nominations by 24 May. In terms of timing, our nominations need to be with Whitehall by 3 June. We must deal with the matter today, because Parliament is not meeting next week; otherwise we might have been able to secure a further short delay. However, we must stick with that timetable.

As I said, it is important that Scotland puts forward candidates and in addition to consulting organisations, existing members have been asked to say—without commitment—whether they would be prepared to serve again on the ESC. They would be entitled to serve again if the Parliament nominated them. The Executive is satisfied that the nominations received are worthy candidates to take up places on the UK delegation.

However, we were extremely disappointed that no women were nominated as a result of the process. Sending Scottish nominations that do not include any women is not a position that the Executive can support. That is why the motion invites ministers, in consultation with the major political parties, to make our best endeavours to secure the nominations of several women in time to send the list to the DTI and the FCO. I want to make it clear that the Executive is seeking the active help of colleagues across the chamber in suggesting suitable names. I undertake to consult with the other parties in the process. As I have indicated, the time scales are extremely tight.

However, in informal discussions with members across the political parties, several potential women candidates have been identified and I am confident that we can add to the list of nominees to enhance the gender balance.

I move,

That the Parliament notes the Scottish Executive's wide-ranging consultation with Scottish civic society to identify nominees for the forthcoming mandate of the Economic and Social Committee of the European Union, endorses the Executive's proposal to nominate Andy Baird (proposed by STUC), Professor Grant Baird (proposed by CBI Scotland), Sandy Boyle (proposed by STUC), Brendan Burns (proposed by Federation of Small Businesses), Danny Carrigan (proposed by STUC), Campbell Christie (proposed by Scottish Civic Forum), Hamish Morrison (proposed by the Scottish Fishermens Federation), Bill Ure (proposed by the Scottish Consumer Council) and Dr Grahame Whyte (proposed by the Institute of Directors), to the UK delegation on the Economic and Social Committee of the European Union for the forthcoming mandate from September 2002 to September 2006; further notes, with regret, that the nomination process has not resulted in any women being nominated, and invites Ministers, in discussion with the other main political parties, to use their best endeavours to secure an enhanced gender balance in the nominations prior to these being finally submitted.

The Deputy Presiding Officer: There is an amendment in the name of Richard Lochhead, whom I will call to speak in a moment. There is more pressure to speak in the debate than we had anticipated, so I ask members to keep their comments extremely brief. I will try to call a representative number of people and give the minister a brief opportunity to close the debate. I call Richard Lochhead, who has three minutes.

12:18

Richard Lochhead (North-East Scotland) (SNP): I welcome the debate. The issue is important and I am glad that, following discussions between the SNP and the Executive, it was agreed worthy of debate.

The SNP has no particular view on the individual nominees in the Executive motion, although we noticed that all nine nominees are male, which is one of the reasons why we were keen to have the debate. We welcome the fact that the Executive has taken on board the lack of women nominees. The other reason why we wanted a debate on the nominations is that the issue goes right to the heart of the debate on how Scotland is represented in Europe and raises the Scottish Executive's lack of enthusiasm and determination to ensure that Scotland's voice is heard at every level and in every forum in Europe.

We are told that there is an informal agreement between the Executive and the Department of Trade and Industry in London on nominees for groups I and II. When it comes to group III, we are told that there is no informal agreement

whatsoever between London and Edinburgh. That is unacceptable because it means that the Foreign and Commonwealth Office, which is responsible for the group III representatives, does not even have to pick up the phone and speak to Scotland about who will be on the committee on behalf of the UK. Scotland could be invisible in relation to the group III nominations.

Scotland's lack of representation is a joke. It is also a joke that the Executive is not doing more to guard Scotland's interests. We should have a fixed share of the Economic and Social Committee, as we do with the Committee of the Regions. However, that is not the case. The minister is laughing and smiling; he thinks it is all a bit of a joke, but it is serious. The ESC has an important role to play, although it is a bit of a talking shop. We have to make sure that it is reformed so that it is listened to.

I contrast this situation with Denmark's discussions on the EU presidency. Denmark will be discussing what representatives will be sitting on the Council of Ministers and their representation in all the formal networks throughout the European Union. Scotland occasionally discusses its representatives on the Committee of the Regions, which is an advisory body, and today we are discussing our representatives on the Economic and Social Committee, which is also an advisory body.

Denmark has a right to nine members on the Economic and Social Committee, whereas we do not have any members by right. We have only an informal agreement through the concordats between the DTI and Edinburgh. That is unacceptable.

The Scottish Executive is not exploiting every opportunity to ensure that Scotland is represented in European fora. The SNP is constantly cajoling and prodding the Executive to ensure that we exploit the limited opportunities available to Scotland. The convention on the future of Europe is a perfect example of that. Scotland has ended up in a situation where its democratically elected leader, Jack McConnell, is simply the rapporteur on behalf of the Committee of the Regions to the convention on the future of Europe. Other countries are represented by ministers, members of Parliament, and officials, while we are in the most embarrassing situation possible.

The Deputy Presiding Officer: Please close Mr Lochhead.

Richard Lochhead: I hope that the Parliament supports the SNP's amendment so that we can make the most of the limited opportunities available to Scotland in terms of European representation. It is time that the Executive and the Parliament started fighting for Scotland's

interests. The Executive has to stop needing to be cajoled and prodded—it should be fighting for Scotland as of right, so that we can get the best deal out of Europe. We welcome the debate.

I move amendment S1M-3162.1, to insert at end:

“, and calls on the Scottish Executive to insist that Scotland has a fixed allocation of representatives on all three groups that comprise the committee.”

12:22

Alex Johnstone (North-East Scotland) (Con): I recognise where Richard Lochhead is coming from, not least because we have heard it so often before. In effect, he wants to have Scotland treated as a minority group and membership of the ESC guaranteed by quota. However, because Scotland's representation is limited, it should be appropriate, wherever it might come from.

The amendment states that Scotland should have a “fixed allocation”. That would prevent Scotland from supplying more than its quota, should we have the people with something to contribute to achieve that.

The basic principle, to which the Conservatives have always stuck, is that quotas are inappropriate. That is why we will not be supporting the SNP's amendment. Similarly, quotas for women on such committees would be inappropriate and we are glad that the Executive has not come forward with such a proposal.

However, we welcome the informal approach that has already taken place and the fact that the Executive is willing to consult with other parties, including the Conservatives. We will be delighted to take part in any possible discussions, to propose names and, if possible, to find women to add to that list. We are happy with that proposal.

12:23

Donald Gorrie (Central Scotland) (LD): I want to concentrate on the last part of the Executive's motion. A list of nominees composed entirely of men gives a worrying message. The Parliament must address the question of genuine equal opportunities more vigorously than it does at the moment. That is a difficult area.

My party has a good record at local government level, where every major council group is chaired by a woman. However, we have an appalling record at national level.

We must vigorously pursue two aspects. First, we must ensure that women rise in those various organisations. Secondly, the people who are in charge of such organisations, who are still mainly men, must recognise the importance of women.

We need good women candidates and we need those who are doing the choosing to include women candidates among their selection. I hope that that will give out the right message—we are not enthusiastic about quotas, but a zero quota is unacceptable. The Parliament must help other organisations and women to progress.

12:24

Cathy Peattie (Falkirk East) (Lab): I will be brief. The Scottish Executive has made mainstreaming a high priority. The Equal Opportunities Committee is holding an inquiry into mainstreaming and how it can be implemented in the work of the Scottish Executive and of local authorities. I was concerned, therefore, to see that the list of nominees contains no women. I welcome the minister's statement this morning.

If the group of nominees is to represent civic Scotland, it is unacceptable that it should be made up solely of men. The idea that quotas upset people is absolute nonsense. This list is an opportunity to make sure that mainstreaming works and that civic Scotland is represented. That is the way to go. As for the idea that women are not available, that is absolute nonsense. I remind members that we frequently debate the voluntary sector. That sector provides excellent examples of women operating at all levels, from grassroots workers and volunteers to organisation managers.

Women are around in Scotland. We have an opportunity to examine mainstreaming and quotas and how they work. It is nonsense for the Tories to say that they do not like quotas. The Tories should be asked how they got their women to stand for the Scottish Parliament. That would be an interesting debate.

12:26

Alex Neil (Central Scotland) (SNP): I too will be brief. First, as usual, the one organisation that has a fixed quota is the Labour party. A minimum of four of the eight nominees support the Labour party. As we have seen time and again, this is the latest example of new Labour cronyism, which is acting like a cancer throughout the body politic in Scotland.

I agree with all speakers on the need for women's representation. We must also examine ethnic minority representation, because the nominees are supposed to reflect civic Scotland. Without proper representation of women, ethnic minorities and non-Labour supporters, there is no way that the nominees can represent civic Scotland.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): Alex Neil is encouraging the increased representation of women at every level. What is

his party doing to increase the representation of women in the Parliament? As I understand it, even fewer women will represent the SNP in the Parliament and in local government next year.

The Deputy Presiding Officer: Could you make that your last intervention, Mr Neil?

Alex Neil: I am amazed that Cathie Craigie has insights into the results of our list meetings, which do not take place until the middle of June. I anticipate that in our shadow cabinet, in the ranks of our junior spokespeople, in our parliamentary party, and in every council group the length and breadth of Scotland, we will make sure that women and ethnic minorities are properly represented. When we form the Government next year, we will open up appointments to proper democratic scrutiny by passing a public appointments bill, and put an end to the cronyism that is inherent in these eight nominations.

12:28

Rhona Brankin (Midlothian) (Lab): Campbell Christie would probably regard it as the ultimate insult to be described as a new Labour crony.

I support the motion in Peter Peacock's name. I welcome the Executive's response to the concerns that were raised by many women yesterday about the all-male shortlist with which we are presented. There is a problem when bodies in Scottish society, such as the Confederation of British Industry, voluntary sector bodies and the Scottish Trades Union Congress, fail to come up with any women. There are plenty of women out there who are more than capable of doing the job.

I welcome Peter Peacock's comments. The challenge for the Executive is to ensure that women's voices are heard on important European committees. It might be worth examining the selection procedure that the Labour party put in place, which ensured that the Parliament has one of the highest representations of women in the world. It might also be worth seeing whether bodies could be asked to come up with the names of one man and one woman, so that there is no possibility of any kind of discrimination in future.

12:29

Peter Peacock: The SNP's approach to the debate was predictable and reflects the continuing paranoia of its members, who believe that the Labour party constantly plots against them. Alex Neil enjoys such things; they give him a chance to make speeches to support his future leadership bid. I note the policy that he would pursue as leader of the SNP.

Alex Neil is well-known for nominating his cronies for public bodies, although he does not like

to admit that often. If anybody knows about cronyism, it is Alex Neil. He must acknowledge that we have issued an open invitation to the SNP and to every other party to make nominations. We have done that genuinely and constructively.

Rhona Brankin and Cathy Peattie were right to express the disappointment that was felt about the fact that no women were nominated. We lodged the motion to give ourselves slightly more time to sort out that situation. I undertake to examine how we invite nominations and to consider a system on the lines of the system that Rhona Brankin described, so that we build in a proper balance between the sexes in nomination processes in the Parliament and the Executive.

I invite the Parliament to support the motion.

12:31

Meeting suspended until 14:30.

14:30

On resuming—

Air Links

The Presiding Officer (Sir David Steel): We have two debates this afternoon, the first of which is on Scotland's air links. Both debates are on Scottish National Party time. I ask members who want to speak to press their request-to-speak buttons, because we are oversubscribed and tight for time.

14:31

Mr Kenny MacAskill (Lothians) (SNP): It goes without saying that aviation is vital to Scotland. Affordable and accessible air links are vital for a nation that is geographically distant from its markets and which contains numerous communities that are distant and isolated from the country's social and economic centres.

Aviation is no longer a luxury for the rich; rather, it is vital internally and externally. Externally, aviation is the method by which we can make our country easily and cheaply accessible to visiting tourists. Conversely, it is the method by which we can provide for our businessmen and businesswomen convenient and affordable access to foreign trade markets. Internally, aviation is the method by which our more distant communities and islands can be integrated into the social and economic main stream. Aviation is one area in which central Government can ensure that there is no rural surcharge and that, irrespective of people's geographic location, they have the opportunity to partake in the fruits of our society.

What is the present situation? Internally, our links are poor and expensive. Externally, the situation is much the same, notwithstanding some recent turnaround as a result of the growth of low-cost carriers, particularly at Glasgow Prestwick International Airport, but also elsewhere. In comparison with other countries such as Ireland, France or the Scandinavian nations, we underperform badly on internal and external air links. As I said last week, it appears that the Irish Government cares more about the people of Derry—which is not even within the boundaries of the Republic of Ireland—than the Lib-Lab Executive cares about the people of the Highlands and Islands, which are within our national boundaries. That is how the matter appears if one considers the funding of public service obligations for connections to those communities.

The Deputy Minister for Enterprise, Transport and Lifelong Learning (Lewis Macdonald): I read Mr MacAskill's press release on that subject

last week. Will he inform members of the cost of the subsidy for the route from Derry to Dublin? Has he estimated the cost of a subsidy on equivalent internal Scottish routes?

Mr MacAskill: The cost should be well known to Mr Macdonald because, besides operating the Derry to Dublin route, Loganair Ltd also operates three routes in Scotland, which are funded by the minister's colleagues' department south of the border. We must move from subsidising airports to subsidising air services.

Why are we in the situation that I described? The first reason is the structure of the system. Who owns and operates our airports? Who is in charge of aviation policy? Who controls the purse strings? In each of those respects, there is a problem that must be rectified.

I do not want to concentrate on the central belt; there will be other opportunities for that. Parliament does not often meet in the north so it is appropriate that we concentrate on Aberdeen airport and on Inverness and the other airports that are owned by Highlands and Islands Airports Ltd.

It would be remiss of me not to mention at least the situation elsewhere in Scotland. Prestwick airport has been a success story, albeit on the back of a particular carrier. Elsewhere, Scottish Airports Ltd owns Edinburgh, Glasgow and Aberdeen airports. That company is a wholly owned subsidiary of the British Airports Authority, which owns London Heathrow, London Gatwick and London Stansted airports. Scottish Airports denies that it acts as a funnel to channel people to the airports that are owned by its parent company. That denial might be true, but Glasgow airport is in decline, Aberdeen airport is stagnating and the growth at Edinburgh airport is not so much in new routes, but in more flights to London. Some of that is because of the growth in low-cost carriers, but much of it is because of the debacle on our rail networks.

There is a private monopoly that is not working in the best interests of Scotland. More than 87.5 per cent of air journeys in Scotland are operated through BAA airports. That is a private monopoly that must be addressed. Edinburgh and Glasgow airports must and can do better. Comparable airports in Dublin, Copenhagen and Stockholm all do better. Does anybody seriously believe that Dublin airport would have more direct services if it were owned by BAA? We need action, not spin, from BAA.

Let us consider Aberdeen airport, where a new service to Dublin is being operated by Ryanair. I welcome that. Indeed, I flew here on that service. However, that is one of the few routes that has been opened and developed. If Aberdeen airport

is to grow, expand and interact in the global economy, there must be connections to Brussels, Frankfurt and elsewhere. BAA has opened more new shopping lets than new routes this year. Over recent years, it has developed more BAA McArthurGlen shopping malls on the European continent than direct services from Aberdeen to the continent. Aberdeen and Scotland deserve an airport operator, not a retail developer.

So much for Aberdeen, but what about Highlands and Islands Airports Ltd? That is a wholly owned subsidiary of the Scottish Executive. It has been described by the finance director of Ryanair—a company that has higher share capitalisation than British Airways—as inept and incompetent. It currently levies some of the highest landing charges in Europe.

Tavish Scott (Shetland) (LD): As Mr MacAskill is interested in the cost of travel in the Highlands and Islands, does he acknowledge that £9.39 is the cost that HIAL accords to each ticket? The cost of the tickets is the issue—nothing else.

Mr MacAskill: That is part of the problem. However, there is a fundamental structural issue. How did we get into the calamitous situation that we are in over the private finance initiative? Why is there not more get up and go? Why can Teesside International Airport Ltd deliver far more than Inverness airport? Airport operators—including those at Teesside airport—say that they would rather operate an airport such as Inverness airport than operate Teesside airport, because Inverness has far more going for it. Inverness airport is underperforming.

I would have thought that the distance that people have to travel to get to an airport would have resulted in a reduction in charges as an incentive, but apparently that is not the case. Inverness has some of the highest landing charges in Europe. The problem is not simply the additional tax that has been imposed by Westminster, but the landing charges that are imposed by the Scottish Executive. HIAL and the Lib-Lab Executive use the same excuse in the development of aviation as they use in the development of our nation: "We're too small. We cannae dae it."

Surprisingly, Ryanair has offered to fly into Inverness and Stornoway and to guarantee the route and the fares for 10 years. A company in Ireland has more get up and go and more faith in the economy of the Highlands and Islands than the Scottish Executive has. The Executive must sort out the debacle of landing charges and get Ryanair and other low-cost operators in.

Although easyJet operates in Scotland at the moment, it will not expand its services because of exorbitant landing charges. The time for excuses

is past and the time for action has arrived. The Executive should bring the landing charges down and get the low-cost carriers in. The tourism industry needs them and the people of the Highlands and Islands want them.

It is obvious that there are routes within HIAL's operation that are used too little to be profitable. They require Government support and assistance. The Irish Government provides such support for Derry, although it is not within its national boundaries. They also provide support for Kerry, Sligo and other communities. The French provide similar support for Corsica and for other places in mainland France. The Scandinavians provide it as a matter of course.

The Executive is embarking on a renegotiation of the ScotRail franchise. It will consider routes, timetables and fares. In the north, where rail is not an option in many instances, we must do the same. We must create the routes, decide on the type of aircraft and the standard and frequency of the services, and—most important—set the level of fare to be charged. We do that for rail in the central belt; we must do it for aviation in the north and the islands. It is a similar issue; it is a matter of having the will to deliver.

We must recognise the importance of aviation to social and economic development in the north of Scotland. The Government is pivotal in that and must take charge and act. The Government controls and decides on the motorways and highways in Scotland. The SNP argues that we should take similar charge of rail; the same argument applies to taking charge of aviation. If that does not happen, we will remain simply a channel down to London Gatwick, Heathrow and Stansted.

There should be no more flying cap in hand to London asking for a PSO. We should decide our air routes and their frequency and cost. Comparable European nations manage to do that and to deliver internal and external air services that are suitable for their people, their tourism industries and their business sectors. We fail to do so because our Lib-Lab Executive and the British Government let us down.

Action must also be taken in Inverness and Aberdeen airports. They are underperforming and must do better for their communities and for Scotland. As I said at the outset, air links are not a luxury but a necessity. The time for excuses has passed; the time for action has arrived. The minister must deliver for Inverness and act on Aberdeen. Our people are entitled to no less and deserve far more. The Lib-Lab Executive's double whammy of high landing charges and low subsidies must end. Change or be changed at the next election.

I move,

That the Parliament recognises the importance of air links to, from and within Scotland for social and economic development; notes with concern the current situation within Scotland and, in particular, in the north of Scotland of poor international connections and high internal air fares; further notes with concern the high landing charges imposed both at British Airports Authority and Highlands and Islands Airports Limited airports and calls for action to be taken for these charges to be reduced and the competitiveness of the airports increased, and calls for all aviation matters to be devolved to the Parliament, for the Scottish Executive to establish a route development fund to assist the development of direct routes to and from Scottish airports, and for action to be taken regarding the terms of the Highlands and Islands Strategic Transport Partnership report into the creation of more public service obligations allowing affordable and accessible air links within Scotland.

14:41

The Deputy Minister for Enterprise, Transport and Lifelong Learning (Lewis Macdonald): I was rather hoping to be able to welcome Kenny MacAskill back down to earth but, sadly, that was perhaps too much to hope. Anyone who chooses to spend seven and a quarter hours travelling from Edinburgh to Aberdeen by flying around the North sea is clearly not making the same travel choices as other members and the general public face daily.

Mr MacAskill: Can the minister justify that time of seven and quarter hours?

Lewis Macdonald: I certainly can. It is from the calculation of the routes that I understand that Mr MacAskill followed. *[Interruption.]* Of course, should he wish to demonstrate that that was not the case, I look forward to him doing so when he responds later—or he can do so just now.

Mr MacAskill: I departed on the 8.25 from Edinburgh and arrived in Dublin at 9.25. I had a courteous meeting with Ryanair's communications officer. I got the 11.50 and arrived at Aberdeen airport at 12.50. If the minister calculates that to be in excess of seven hours, he requires to work on his mental arithmetic.

Lewis Macdonald: I have to concede that Kenny MacAskill's speed of travel was greater than we expected. Sadly, the speed of development of his rhetoric has not improved. *[Interruption.]*

The Presiding Officer: Order.

Lewis Macdonald: In fact, what we heard in his opening speech was simply a repetition of the same tired old demands and claims that we have heard before. Of course, what Kenny MacAskill has again failed to recognise is the significant success in air transport development in Scotland over the past 40 years. We have an air transport system that was once not accessible to the

general population, but now is. Also, despite external events, that system continues to develop within Scotland. The growth of air transport has had a fundamental and positive impact on Scotland's perception of the rest of the world and has contributed to the outside world's perception of Scotland.

I remind the Scottish National Party that in the past year Scotland's airports showed a 7 per cent growth in passenger travel. At the same time, London airports showed a fall of 3.5 per cent. I add that those figures were carefully audited before they were brought to the chamber.

Of course, air travel is not the only way to travel. However, air links are hard to beat for speed and accessibility. Our well-developed internal air network is unique in the United Kingdom context.

Brian Adam (North-East Scotland) (SNP): Will the minister give way?

Lewis Macdonald: I shall certainly do so in a moment.

Air services provide vital links over long distances and are also vital in maintaining the economic and social fabric of our Highlands and Islands communities by preventing population decline and outward migration.

Brian Adam: The minister is right that people welcome the fact that they can now travel to all sorts of places in the world. However, does he share my regret that if we want to travel anywhere in the world, we must travel first to London? The fact that we must travel via London to get anywhere else is a continual complaint of business people in this area.

Lewis Macdonald: There are many direct routes from Scotland to points on the continent, such as Norway, Belgium, France and so on. Of course, the Executive will address the issue of direct routes in the coming period. There is no need to travel from Scottish airports to London, but there are routes that go along that road. New routes will be developed that exclude that requirement.

Scotland is not an insular nation and we have long recognised that, to develop our full potential, we need to have access to the wider world and to be accessible directly from beyond our borders. There is no doubt that the overall market for air services to and from Scotland will continue to grow substantially during the next few years. We recognise the challenges that that will produce. We recognise the fact that we need to produce policies that will maximise the benefits of air transport to Scotland, to Scottish business, to tourism and local and national economies and which do not favour one part of Scotland, one airport or one airline over another. They must also

meet the needs of the Scottish people in a sustainable and environmentally friendly way.

The domestic aviation market in the United Kingdom is a mature market and Scotland has had to work in that context in order to attract new direct international services.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): What is the status of the application of the public service obligation to secure the Inverness to Gatwick route?

Lewis Macdonald: We have put forward the public service obligation submission for the Inverness to Gatwick route. I want to deal with that in the context of Kenny MacAskill's motion. Kenny MacAskill asks us to move our policy from support for airports to support for airlines and direct routes. That would leave us with a choice between sustaining our existing policy of support for lifeline air services or developing support for commercial development.

Working with our colleagues in the UK Government, we will consult during the coming period and publish a consultation document in the summer that will seek views on a range of policy scenarios, including the development of direct routes and the public service obligation system. We intend to pursue an inclusive consultation that will allow access and ideas to be produced by the Highlands and Islands strategic transport partnership and others who have made proposals.

We will base our decisions on realistic assessment of what is in Scotland's national interest. On that basis, we look forward to meeting the challenge of developing air services in the years ahead.

I move amendment S1M-3154.3, to leave out from "the importance" to end and insert:

"the substantial and on-going contribution by the Executive and its agencies to the maintenance and development of air links serving Scotland; believes that the best way to develop more international services is through a strategic framework which gives priority to those routes which are best for the Scottish economy; recognises that passenger numbers through Scottish airports are continuing to increase substantially, and notes the publication of the recent report by the Highlands and Islands Strategic Transport Partnership and looks forward to the forthcoming publication of the Scottish Air Transport Consultation Document which will provide a full and inclusive opportunity to comment on the development of aviation policies for Scotland, within the context of the UK consultation led by Her Majesty's Government including the use of public service obligations and the cost of air travel."

14:47

David Mundell (South of Scotland) (Con): As a positive backdrop to the debate, we have the news that UK transport matters will no longer be in the hands of Stephen Byers. I hope that we will

now be able to focus on important issues rather than on the constant saving of Mr Byers's neck. It is interesting that a Scottish MP has been appointed to a position that largely relates to England and Wales. In due course that will give Scottish Conservative MPs greater career prospects.

It is also interesting that the SNP raises the issue of air links as, of all the issues relating to transport, recent events have shown air travel to be the one to which the independence of the nation is least relevant. I note that, in the usual pick-and-mix collection of countries that SNP members talked about, we heard nothing about Switzerland or the problems that have been associated with that small country's airline, Swissair.

Stewart Stevenson (Banff and Buchan) (SNP): Will the member take an intervention?

David Mundell: I am sure that Mr Stevenson is an expert on Swiss airlines, but I do not want to take an intervention from him at this stage.

A benefit of meeting in Aberdeen is that we have seen how it has been possible to develop services at Aberdeen airport, where easyJet and Ryanair offer low-cost flights. Effective and functional transport links for all Scotland are important so that we can move people and business. However, they must be set in the context of an overall transport strategy.

Issues with transport links are one reason for the difficulties with developing Glasgow airport and Aberdeen airport. Unless those issues are resolved as part of an overall plan, the development that is required will not take place. All the studies from business and other sources identify the problem with Glasgow airport as the perceived difficulty of getting there. We must resolve that in the wider context of air transport policy. We must consider, as is done for marketing purposes, whom exactly the flights are aimed at, what the services are and the contrast between business services and services for those who are not so driven by timetables and other requirements.

As one who used to fly from Glasgow airport to London at least once a week, I believe that one of the main problems with air transport policy was an obsession with direct flights to the United States. The eye was taken off the ball of flights into Europe. Although the extra 90 minutes—or however long the required transfer time is now—at Heathrow or any other hub airport added little to a journey to the United States, it was a significant delay indeed when going to major European centres.

Stewart Stevenson: Will Mr Mundell give way?

The Presiding Officer: No, he is in his last minute.

David Mundell: I am disappointed that I cannot take Mr Stevenson's intervention, but I am sure that we will exchange views later in the debate.

The Conservatives want competition to develop in the United Kingdom airline industry and market, but we also want essential services to be maintained. An issue that was raised at the Transport and the Environment Committee was that we must be able to ensure effective use of aircraft and to deal with the numbers of people who use them. It is all right for Kenny MacAskill to cite Teesside airport, for instance, but it has a significantly larger catchment area on which to draw.

Mr MacAskill: What about Reykjavik?

David Mundell: Reykjavik is in Iceland, which is an island. *[Interruption.]*

The Presiding Officer: Order. You must wind up, Mr Mundell.

David Mundell: My amendment seeks to ensure that the UK has a competitive environment but is willing to consider realistic ways of providing the essential services that are required throughout rural Scotland.

I move amendment S1M-3154.2, to leave out from “, in particular” to end and insert:

“calls upon the Scottish Executive to work with Her Majesty's Government to develop a strategy for ensuring that essential services are provided within a competitive environment that allows low cost airlines to prosper and deliver new and cheaper services.”

14:53

Tavish Scott (Shetland) (LD): I will make a few points that relate to the Highlands and Islands. I am the member for Shetland, where air services are somewhat important. I begin with the observation that seven and a quarter hours is not a unique length of delay because of transport difficulties for my constituents—nor, I suspect, for those in the other island groups around the coast of Scotland.

I welcome the SNP debate on the subject, but I do not welcome the SNP's approach, which tends to carp about problems rather than provide some balance. Links to mainland Europe exist. For example, KLM uk flies from Aberdeen to Amsterdam. Of course those links are not enough and business and other interests would like more such links. Business people who speak to the Enterprise and Lifelong Learning Committee, for example, make that point repeatedly and I accept that argument. We must find ways to encourage those developments. To say that there are no

links, as has been suggested from the SNP side, does not help in a debate on what are complex issues, which also relate to the structure of the companies concerned and to how best we can attract them.

Dr Winnie Ewing (Highlands and Islands) (SNP): I agree that it is wonderful that there is a flight from Aberdeen to Amsterdam, but I highlight the practical difficulty of getting to the airport in the morning to catch that flight. Because of the state of the road, one has to allow two and a half hours to get from Elgin to Aberdeen airport for an early morning flight. It is all very well to say that we have the direct flight, but we cannot use it.

Tavish Scott: I am sure that Mr Macdonald, as minister with responsibility for transport, will have heard that point.

It is simplistic to say that low-cost carriers provide the solution for the Highlands and Islands, as the issues are more complex. Apart from anything else, we cannot rely on a Boeing 737-800 to get into Sumburgh, and it cannot be landed at many of the airports in the HIAL network. Low-cost carriers operate on the basis of one type of plane, one engineering need, one set of spare parts and so on. That is their *raison d'être* and that is how they operate.

Furthermore, we have seen what can happen to low-cost carriers: Go and easyJet have already merged. Decisions on international links have to take account of 11 September—I cite the demise of Sabena. Those are important issues, and we should find ways of improving services in the Highlands and Islands.

Mr MacAskill: Does the member agree that the private finance initiative for the new terminal at Inverness airport has been an abject disaster, and that the trigger mechanism for payment to the financiers is a disincentive to increasing the passenger throughput? That is one of the reasons why HIAL squeals that it is unable to offer Ryanair the deal that it seeks. Does the member accept that that PFI was a mistake, and that whoever carried it out needs their head examined as far as airport operation is concerned?

Tavish Scott: I am sure that Audit Scotland will review the operation of Highlands and Islands Airports Ltd—as it does on a statutory basis. If it finds faults, I hope that the lessons will be learned. We should consider such issues in detail, however, rather than commenting on them from a position of complete ignorance.

The lifeline services on which some parts of Scotland, such as Shetland, rely are extremely important not just for business travel but for domestic travel and for patients. Patients from Shetland have to fly down to Aberdeen to attend Aberdeen royal infirmary at Foresterhill and the

range of services that are available here.

My chief concern is that about £1.4 million of Shetland NHS Board's money is spent every year on flying people to and from the islands by British Airways. Although that is a necessity, I cannot believe—and have always struggled with the thought—that British Airways cannot provide a cheaper option for that block booking, which has to be made and which costs the health board, and therefore the Government, a very large amount of money.

There are arguments around public service obligations, and I am pleased that the minister has recognised them in his amendment. I recognise—unlike the SNP—that money does not grow on trees and that to win the argument I have to argue for spending in competition with other spending priorities in Mr Gray's budget. I accept that reality. There are good arguments in the Highlands and Islands strategic transport partnership's report why PSOs may be appropriate, and I hope that the minister will find time to consider them carefully.

A recent story in *Business a.m.* indicated that the Executive was in discussions with a business that had offered to provide management services to Highlands and Islands Airports Ltd. I hope that the minister will comment on that in his winding-up speech, particularly in light of recent decisions concerning Sumburgh.

The Presiding Officer: We come to back-bench speeches. There is no chance of getting everybody in so I call for tight timing, with speeches of four minutes apiece.

14:59

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): It is well known that travelling to some of the Scottish islands costs about as much as travelling to the continent of America. There has been a great deal of publicity about that recently, and members of all parties will agree that the position is unacceptable and intolerable. The question is how we tackle it. Part, but not all, of the answer is to tackle landing charges. I hope that, in responding to the debate, the minister will say that he will take measures to reduce landing charges.

I have met Bob MacLeod of HIAL and it is important to stress that we should not be shooting the messenger: HIAL relies entirely on the Scottish Executive. It is the Scottish Executive that can, if it wishes, help HIAL to take action to ensure that we do not lose opportunities such as those that are presented by Ryanair and other low-cost carriers, which, after 11 September, are making the running in international aviation.

The Executive has a role to play. I hope that the minister, in closing, will acknowledge that for

several months he has had the precise costings of what would be required to give people in the Highlands and Islands the benefit of those low-cost routes. When did he get the costings and what will he do about them?

My main remarks are about the public service obligation for the Inverness to Gatwick air link. The campaign for that is broadly based and I think that every party supports it. The Scottish Executive, Simon Cole-Hamilton of Inverness and District Chamber of Commerce, Ewen Gabriel of the Scottish Council for Development and Industry, the Forum of Private Business and the Federation of Small Businesses all support it. The business community, the tourism industry and ordinary travellers all support it. The application for the PSO was submitted because slots at Gatwick and Heathrow are entirely in the airlines' control.

In 1997, British Airways announced unilaterally that it was going to cancel the Inverness to Heathrow route without any consultation. Many aviation experts fear that that could happen to the Inverness to Gatwick service tomorrow. It is perhaps more likely that the airlines will shift the slots so that they are at times that are totally impractical and inconvenient for travellers coming from America and Canada. That would have the same effect as the disappearance of the slots altogether.

The campaign has had the broadest base of support of any campaign that I can recall in the Parliament. The application was submitted last autumn, to Westminster, unfortunately. However the Westminster minister has now gone and Alistair Darling has replaced him. Time will tell whether he is like Captain Darling from "Blackadder" or whether he has more independence of mind.

The application has been at Westminster since last autumn. In January, David Jamieson said that a decision would be made as soon as practicable. A letter to me in March stated that it would be made as soon as possible. I have had two further letters, which said that the decision would be made soon and shortly. When are soon and shortly going to arrive? Will the delay last as long as the delay in the resignation of the former Secretary of State for Transport, Local Government and the Regions?

I hope that I am not taking up too much time. Lewis Macdonald said something extremely worrying today—that no decision would be made on the PSO until after the consultation to which he referred in his speech and to which his amendment refers. If no PSO decision is to be made until some unspecified date, it will be a matter of great concern. I see the minister shaking his head. In response to my intervention, he did not say what Westminster is going to do about the

PSO. Will Westminster turn it down and blame it on Europe? If so, will he tell me why PSOs cover 30 per cent of the slots at Charles de Gaulle airport, but no slots at Heathrow or Gatwick?

The Presiding Officer: The member has to wind up now.

Fergus Ewing: I will do so. To sum up, the campaign has the support of everybody. It has not been conducted on a party-political basis. I hope that the minister will divulge what discussions he has had with his new counterpart and his former counterpart in Westminster to say how he is fighting for the people of the Highlands and Islands.

15:03

Mr Alasdair Morrison (Western Isles) (Lab): I reinforce and associate myself with the comments that my fellow island MSP Tavish Scott made in his speech. I noted with interest Fergus Ewing's passing interest in matters that relate to the Highlands and Islands. I say to Mr Ewing and the other nationalists who continue to denigrate committed public servants that if they lived in the Highlands and Islands they might be better placed to comment on issues that relate to the area.

The development of air transport in Scotland has been spectacular. Air transport was in its infancy 40 years ago and it was certainly not easily accessible to the majority of the population. Today, despite external events, the sector in Scotland is vibrant and continues to develop. As the minister rightly said, aviation has broken down social and economic barriers.

I welcome the opportunity to put some facts on the record about the Highlands and Islands and about travelling from an island to the mainland. We have been subjected to Mr MacAskill's ramblings over the past few months and his ideologically confused theme continues today. As far as the Highlands is concerned, the Scottish National Party gives unconditional backing to one private business by condemning and undermining the public sector. We have the usual MacAskill recipe—unlimited sums of money and not a word about where the money should come from.

Mr MacAskill: Will the member take an intervention?

Mr Morrison: I will just continue. It is worth putting on the record that support for Highlands and Islands Airports Ltd is at a record level. In the current financial year, it sits at £21.5 million, which represents a threefold increase since 1997.

The nationalists would do well to inform themselves before they stride into the debate. HIAL does not set air fares. Airport charges, which on average are £10 per passenger, are not the

main determinant of air fares. In such a low-capacity market, other operating costs are the major driver for airlines. David Mundell was correct to highlight that. Examples of other costs are aircraft costs, wages and fuel.

Stewart Stevenson: Will the member give way?

Mr Morrison: I will continue. As an MSP for an island constituency, I know that reliable and affordable air links are important for the delivery of goods and services and for the stimulation of economic activity.

I was delighted that British Airways, the main carrier to the Western Isles, last week announced that it was offering cheaper flights between Aberdeen and London and between Glasgow and London. The company is doing that in response to the calamitous financial situation that it has faced since September 11. I urge Lewis Macdonald to reinforce the clear message that the First Minister gave to British Airways when he opened the Stornoway terminal two months ago. He urged British Airways to widen the availability of cheaper tickets and not only to make that excellent scheme available for the airports of Glasgow and Aberdeen, but to extend it to the Highlands and Islands, without the weekend condition.

Air links within the Highlands and Islands are developing. In my constituency, there are three airports with well-developed links with the mainland. I urge the minister to raise the issue of widening the availability of cheaper tickets with British Airways as a matter of urgency.

The Presiding Officer: Duncan Hamilton will be followed by Robin Harper.

15:07

Mr Duncan Hamilton (Highlands and Islands) (SNP): Listening to Alasdair Morrison's speech, one would swear—

The Presiding Officer: I beg your pardon—Robin Harper appears not to be here. Please continue and I will find a different speaker to follow you. I am sorry to interrupt.

Mr Hamilton: Alasdair Morrison suggested that the Western Isles were somehow in good shape and that the people whom he represents are happy with the situation. I refer him to last week's *Stornoway Gazette*, in which the headline on the comment page was "Let's have action on air fares". The relevant editorial ended:

"You too Mr McConnell, as First Minister, have a responsibility to these islands. Forget the talking—let's have action."

The *Stornoway Gazette* is backing the calls for lower landing charges. The people of the Western Isles are telling the rest of us—I am sure that they

are telling Mr Morrison—that the Executive simply cannot wash its hands of its responsibility.

Let us remember the depth of the injustice. The suggestion to the people of the Western Isles and the rest of the Highlands and Islands is that, uniquely, they should not have access to the low-cost budget airline services that the rest of the country and most of Europe have access to. Are those places so uniquely disadvantaged that they should be singled out for such treatment?

The fact that it costs the same to travel from Glasgow to Stornoway as it does to travel from Glasgow to Moscow is ludicrous. The fact that it costs £293 to get from Stornoway to Edinburgh is a disgrace. Fergus Ewing is right that we should land the blame where it deserves to land—on the Executive. Even though the Executive is the sole shareholder of HIAL, it has attempted to put the blame on the airlines. In the Western Isles, Jack McConnell suggested that the airlines should resolve the problem.

There are two reasons why the Executive should take a lead. First, any comparison of landing charges makes it obvious that Scotland has some of the highest landing charges in Europe. That is the Executive's responsibility. Direction from the Executive on that could make a material impact. Secondly, it is the responsibility of the Executive to take the lead on PSOs. There is no one-size-fits-all European policy. National Governments have massive discretion in deciding the routes on which they would like to have PSOs and on the conditions that would apply.

The minister's speech was deplorable. He asked whether we were asking for favours for one part of the country as opposed to another. I ask for favours on behalf of the Highlands and Islands and do so with a clear conscience. Such areas are naturally and intrinsically disadvantaged because of distance, remoteness and rurality; they need the additional supplement. PSOs exist to help such areas, so there is no logic in the idea that it would be ludicrous to give a leg up to those areas.

Of course, the idea that we should extend PSOs has its opponents, not least Loganair and British Airways. They have said that they are against such a proposal because they want commercial flexibility. To the people in the Western Isles and in the Highlands and Islands, Loganair and BA's flexibility means the flexibility to keep putting the fares up without the responsibility of keeping them down below a certain ceiling.

There is a substantial human cost to the Executive's policy. When patients are taken off the islands, their relatives are subject to the highest possible fares if they need to go and visit them at short notice. The fares are highest at the point of maximum stress in the lives of those families. If

the minister wished, he could implement a system whereby islanders had a particular exemption or reduction, but the minister chooses not to do so. The Executive could make that call, so the minister should not attempt to pass the responsibility to HIAL or to anyone else. The Executive should stand up and admit the decision that it has taken and stand up for what it thinks is correct.

Let us look at the cost of the policy for economic development and jobs. The Western Isles and the Highlands and Islands are losing population. Providing cheaper routes is the single greatest measure that the Executive could introduce to reverse that trend and encourage economic development by bringing back jobs and prosperity. That would reverse the decline that we have seen over the past 10, 20 or 30 years. The alternative is stagnation. If that is the minister's policy, I suspect that he will reap a grim reward at the election.

15:11

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): First, I would be grateful if later speakers from the Scottish National Party could develop their argument on landing charges. We are talking about a charge that is under £10. Even if HIAL went for the magic figure of a 50 per cent cut, the charge would still be little more than the price of a packet of fags or a gin and tonic on the plane. I cannot make the figures stack up in my mind. If the argument is to stick, we need more detail and less hot air from the nationalists.

The second hole that I want to pick in the nationalists' argument concerns the talk about Ryanair and HIAL. For those of us who have bothered to study the correspondence and have talked to HIAL, it is pretty evident that Ryanair is holding something of a loaded gun to HIAL's head with one minute's notice. It is worth remembering that HIAL is the custodian of public funding. In all my days, I have never seen quite such an intemperate letter as that which Ryanair wrote to HIAL. That needs to be said on the record in defence of what HIAL is trying to do. HIAL is a custodian of public money.

Mary Scanlon (Highlands and Islands) (Con): The language in the letter may have been intemperate, but does the member agree that it would have been wiser and more professional if HIAL had responded to that letter professionally and confidentially instead of taking it to the press and upping the ante?

Mr Stone: First, HIAL has been in negotiations for months on the issue. Secondly, if we are to speculate on who took what to the press, I have my own thoughts on the matter.

Let us return to the real world by considering a

constituency such as mine. I have used the Wick flight only once since being elected as an MSP because the timetable is unsuitable. Those of us who fly in and out of Inverness to and from Edinburgh know full well that we have two flights in the morning—the 5 to 8 flight and 5 to 9 flight. Neither flight is particularly convenient for getting to a committee meeting or indeed for getting to work in Edinburgh. For flying back in the evening, all flights leave too early to be of much use. I therefore suggest that the timetabling of the flights is as relevant as anything else for people who live in the Highlands. That is certainly the case if my postbag is anything to go by, as I have had as many letters on that issue as on any other.

I welcome the fact that Alistair Darling has been appointed in Westminster as the new Secretary of State for Transport. Being a good Scot, he may well work in co-ordination with Lewis Macdonald to further the good work that has already been done. It is worth remembering that there has been investment in the past. I was extremely grateful to Sarah Boyack for the investment that was made in Wick airport. We need to invest in airports.

The SNP line that the argument is all about airlines forgets the fact that we need airports; its approach would be the high road to hell for airports such as Wick and Stornoway, so I counsel caution on that.

I know that we are short of time, Presiding Officer, so I shall sit down in a second, but I press the SNP again to come clean on its argument about landing charges. At the moment, the landing charge is equivalent to the price of perhaps two packets of fags. In my mind, getting rid of the landing charge altogether would make little or no difference to the price of tickets.

15:15

Rhoda Grant (Highlands and Islands) (Lab): I welcome the opportunity to contribute to this debate at a time when the number of air passengers in Scotland continues to rise and when the population of the Highlands and Islands continues to rise. Duncan Hamilton would know that if he spent more time in the area.

Mr Kenneth Gibson (Glasgow): Will the member give way?

Rhoda Grant: I want to get on, as I have much to say.

It is important to improve air services in my constituency. That was clearly shown when the Rural Development Committee visited Colonsay last week. There is an airstrip in Colonsay but there are no landing facilities in Oban, so there cannot be an Oban to Colonsay service. We must reconsider such issues to ensure that people on

remote islands have access to air services. We must also consider lowering the cost of flying. I welcome Jack McConnell's recent comments and I am pleased that BA is examining its cost structures. I welcome today's investment by BAA of £60 million, which Kenny MacAskill completely ignored in his opening remarks.

The Scottish Executive has wholeheartedly supported the case for a PSO in Inverness. When we speak about PSOs, we have to be clear that the issue is not about adding more subsidy; it is about securing routes. The issue has to be examined closely and I welcome the consultation that Lewis Macdonald spoke about.

Many ordinary businesses in the Highlands are anxious to see the London route maintained and to have a PSO on it. They were pleased that Scotland Office ministers took time to meet representatives of the community to hear their concerns directly. It is important that we work with our Westminster colleagues on air travel. We must assess what we have already achieved and what we must now achieve.

The SNP motion talks about flights from Scotland, so it is strange that SNP members talk about devolving to the Scottish Parliament responsibility for all air travel. Their policies are insular; they do not look outwards.

Most recent media coverage has centred on HIAL and Ryanair, which have been mentioned a lot today. I am uneasy about the way in which those important negotiations have been conducted. The nationalists have turned the issue into a political football. They have not taken the time to assist HIAL in the negotiations. In fact, when proposals were first mooted, the SNP was in the press talking down HIAL and talking down the Highlands and Islands.

In recent weeks, many people have contacted my constituency office, anxious for a deal to be struck. The benefits that could come to Inverness if Ryanair were to fly into it are obvious. However, we have to remember that public money is involved and it is important that it is spent properly. Our constituents expect nothing less. However, the SNP seems to disagree; it seems to think that the board of HIAL should throw taxpayers' money around without any investigation. It continues to talk down our public sector.

Fergus Ewing: Will the member give way?

Rhoda Grant: I am in my last minute.

SNP members continue to talk down our public sector airports. One would almost think that they favoured privatisation. Kenny MacAskill said that Inverness does not need subsidy. Was he talking about the privatisation of Inverness? I do not agree with that. My advice to HIAL and Ryanair is

to get back round the table and produce robust proposals to provide what would be good value to taxpayers.

However, there are some good-news stories and I would like to touch on them before I finish. They include Transun Flights Ltd flying into Inverness, holidays abroad from Inverness and holiday breaks from the south-east of England straight into Inverness—all those are wonderful for the local economy.

15:18

Phil Gallie (South of Scotland) (Con): Kenny MacAskill finished his speech by suggesting that the Executive should make a greater input into the Scottish airport scenario. To that, I would have to say, "God forbid." I point to the Government's involvement in airports so far and I point to the fact that we are talking about low air fares and low-cost airlines. Those ideas were pioneered by Prestwick and I say to Rhoda Grant that Prestwick was a privatised airport and remains so today. The airport provides the services that Kenny MacAskill talked about—services to Oslo, Frankfurt, Brussels, Paris and London. It offers cheap flights on a commercial basis. When I hear BAA's plea that to provide reasonable international services it must get the Scottish community, local authorities and national politicians to work together, I say that we should let people work with the airports and airlines—ultimately they will get what they want without the help of the Scottish Executive.

Brian Adam: Will the member give way?

Phil Gallie: I am sorry, but I do not have time.

I recognise the problems in the Highlands and Islands. I can tell members that Ryanair would be delighted to offer services to Stornoway or Inverness. Tavish Scott referred to the problem with 737-800s. At the moment, Ryanair operates 737-200s and so could use the airport. Perhaps if there is Government money around, it could go into those airports to give them more help in developing for the future, when they will be obliged to accommodate the 737-800s.

I turn to central Scotland and the arguments about rail links to Edinburgh and Glasgow. Why do we need to argue about Glasgow? Glasgow Prestwick already has a rail link. Perhaps Edinburgh needs a rail link, but Glasgow already has one and we should use the one that we have a heck of a lot more.

Mr MacAskill: Is Phil Gallie aware that a Tory Government built the rail link to Stansted? Before that link was built, Stansted had fewer passenger throughputs than Edinburgh or Glasgow; now it has 10 million passenger throughputs, which is almost as many as Glasgow and Edinburgh put

together. Was it right of the Tories to build a rail link to Stansted? Is it not right to build a rail link to Edinburgh now?

Phil Gallie: Prestwick paid for 60 per cent of its rail link and the Tory Government and others supplied the other 40 per cent. However, the main point is that we are talking about commercial companies—BAA is a commercial enterprise—and we must be very careful about putting Government money into such bodies.

We should not ignore the air traffic control situation. In recent times, there has been chaos in the skies above Scotland and further south because of problems at Swanwick. If the Government is to get involved, the Scottish Executive could do a great job by pressuring Westminster and ensuring that the new Scottish air traffic centre at Prestwick is built expeditiously and in the interests of the whole of the UK, with particular consideration of the skies above Scotland. Without good air traffic control, nobody will want to be up there anyway.

15:22

Stewart Stevenson (Banff and Buchan) (SNP): I begin by picking up on a point that Lewis Macdonald made. I am sure that members and people in the visitors gallery will be pleased with what I have to say. Next week, as part of my investigations into the prison estates review, I shall visit a prison in France. I shall not be flying from Aberdeen with my assistant, because the airfare would be £958. Instead, I shall drive to Prestwick—that takes extra time, but it is a trade-off that is worth making—from where the flight costs £180.

Before Phil Gallie gets too complacent, I remind him that it was a Tory Government in the 1970s that, at the express request of BOAC, removed the fifth freedom flights from KLM, SAS, Pan Am and TWA. That denied those companies to pick up passengers at Prestwick on their en route flights to countries in Scandinavia. Does he recall that it was a Tory Government that did that?

Phil Gallie: I am too young to remember it.

Stewart Stevenson: I will accept that.

Model 737-200s burn 50 per cent more fuel than 737-800s. We need the facility to support economical aircraft. Incidentally, in Scotland we are denied the most effective route into Luton and Stansted because of military traffic that uses the east coast of England—there is limited capacity for southbound traffic and none for northbound traffic. If we had an airway down there, we would save between 600kg and 1,000kg of fuel per 737 flight—I point that out for Robin Harper's benefit.

We talked about equality of access across

Scotland, about which Mr Morrison made a point. Is not it curious that the Labour Government has continued with the practice of charging 90p per litre for the inter-island flights in the Orkneys and Shetlands? Fuel for a flight out of Aberdeen is priced at 20p per litre. What is the difference? The difference is tax, pure and simple, not the cost of the fuel. Many of the things that discriminate against aviation in our remote communities are avoidable.

David Mundell challenged the SNP on what would be different about aviation if Scotland was an independent country. He did not let me intervene during his speech, so I will ask my question now, so that he can ponder it and tell me the answer later. Is there an independent country anywhere in the developed world that has fewer airline seats owned and operated by local airlines per head of population than Scotland does? The answer is no. We have 20 per cent of the number of seats that the country above us in the list has. That is one thing that independence would change.

I say to Rhoda Grant that I pay tribute to Total Logistic Concepts Ltd, which runs Oban airport. Oban airport has the facilities to run scheduled services and in the past it provided services to Glasgow and Mull.

That brings into sharp focus the fact that we get fixated with terminal buildings. We have built a wonderful new terminal building at Inverness. That is fine. However, we did not install an instrument landing system that would bring the cloud base at which aircraft could make an approach down from 500ft to 200ft. The aircraft are equipped and the traffic controllers are ready to operate. We are getting the £500,000 for that landing system at last. That is more important to airlines than anything else. When I was a tourist in South Africa, I flew by jet into an airfield that had no terminal building. Terminal buildings are not the problem.

It is true that resources are finite in this business. However, we have differential landing charges. It costs £1,500 to put a 737 on the tarmac at Inverness airport, whereas it costs less than £1,000 at the London airports. Airlines will therefore make choices. That is why we are putting broadband into the Highlands and Islands so that people are not turned away. That is also why we should support lower landing charges.

15:27

John Farquhar Munro (Ross, Skye and Inverness West) (LD): We have had quite a debate. It is obvious that we are vulnerable to the vagaries of the airline operators, whose main objective is not to provide a service but to

maximise their profit on every route. I suggest that the profits from their lucrative international routes should help the airlines to provide an efficient and affordable service on internal domestic routes, particularly in the Highlands and Islands.

I was surprised that much of the debate concentrated on passenger traffic. Although that is essential, we must not forget the air freight market, which is developing at quite a pace and has become an essential part of our economy. That is especially true of the growing trade in transportation of perishable items to the lucrative markets in the south.

Although I welcomed his contribution, I was surprised that Kenny MacAskill suggested that we should cut subsidies to airports and apply the money to air fares. That is a laudable and commendable objective, but I fear that, if we were to cut subsidies to airports, we would compromise safety and the services that are provided and expected at those airports.

Phil Gallie: The member said that removing subsidies from airports would threaten safety. Will he say how, in that case, Prestwick airport operates safely without subsidy?

John Farquhar Munro: Prestwick airport does not compare with some of the airports in the Highlands and Islands. The volume of traffic going through Prestwick is considerably more than the volume of traffic in the Highlands and Islands and I am sure that that has a marked effect.

Kenny MacAskill also mentioned landing charges. I understand from HIAL that the landing charges at Inverness compare favourably with those at all the other peripheral airports. I do not think that the amount of traffic going through Teesside compares with that going through Inverness. I am sure that Teesside is a much busier airport. As Alasdair Morrison pointed out, the airports that we are talking about in the Highlands and Islands are low-capacity airports.

I was pleased that Lewis Macdonald mentioned the Highlands and Islands strategic transport partnership, which we must support. Its proposals must be acted on, particularly its attempts to secure PSOs on lifeline routes to and from peripheral airports.

The Parliament must unite with and support the local authorities throughout the Highlands and Islands in their attempts to secure a dedicated domestic air transport service at an acceptable cost and at an appropriate frequency.

The Deputy Presiding Officer (Mr Murray Tosh): I call David Davidson to close for the Conservatives. You have three minutes.

15:30

Mr David Davidson (North-East Scotland) (Con): We have had a parochial debate today. Once again we have been presented with a new policy line from the SNP, and once again it has not been costed. We had a harangue from Kenny MacAskill about nationalising things, and then he said that he wanted to subsidise commercial airlines. There is no logic in the way that the SNP has presented its policy today. We had another attack on BAA, but the SNP is quite happy to subsidise Ryanair. Does the SNP have shares in Ryanair? The question must be asked.

Robin Harper (Lothians) (Green) rose—

Mr Davidson: I am sorry, but I have been told to cut short, and Robin Harper missed his slot.

If I may summarise—

Mr Gibson: Will the member accept an intervention?

Mr Davidson: If I may summarise—

The Deputy Presiding Officer: Mr Davidson, you know that you have three minutes. You were told in advance. It is up to you whether you let anybody in, but please give clear signals and proceed if you are not going to accept an intervention.

Mr Davidson: We heard all sorts of contributions round the chamber today. A lot of them were about local services and a lot of them were about access to airlines. Some of the most cogent points that were made in the debate were about the fact that a critical mass is needed to fill planes and to create an environment that will help them to pay. That is one of the major issues.

We all happily buy into investment in airports and safety, but we need to examine integrated transport. We should not address aeroplanes in isolation. The use of the hub system can be improved. It has been done in America. Through-ticketing, through-baggage checks and all the rest of it are ways of accelerating the use of the hub system.

I was in Orkney with the Finance Committee last week. Orkney's airlines are expensive, and they are not exactly packed, although we had good facilities and a good flight. We need to investigate in a more transparent way PSOs and how the debate is progressed. I take Fergus Ewing's point about the time that it is taking to come to a decision about Inverness.

Mr Hamilton: PSOs and their application are matters for national Government. Does the Conservative party agree that the percentage of internal flights that are PSO routes in Scotland—the figure stands at 26 per cent, which is one of the lowest in Europe—should be increased?

The Deputy Presiding Officer: You now have 36 seconds, Mr Davidson.

Mr Davidson: Thank you for reminding me, Presiding Officer.

Operating costs are more of an influence than are landing charges, whichever way we look at it. If we are going to take an holistic view of transport, we have to examine carefully how we subsidise and support the essential services. There are three basic types of flight—tourism, business and local—and the airlines have to come to a decision, through competition and joint working, on how they can best put in the resources to meet the demands. I hope that the next time we hear from the SNP we get a costed policy.

The Deputy Presiding Officer: I will be clear for members' benefit. The agreed time allocation for closing speeches in this debate was three minutes for the Liberal Democrats and the Conservatives. Nobody was cut short, but the time is very tight. I call Lewis Macdonald for the Executive. You have five minutes.

15:34

Lewis Macdonald: We have had a wide-ranging debate. The fundamental issues that have arisen from it are what kind of subsidy we should pay to secure lifeline services and to whom we should pay it. It is our contention that continuing support for airport operators in marginal areas through the public ownership and support of HIAL is the right way to provide the right kind of support. Let us be clear that, in real terms, the airport charges that are levied by HIAL have risen at a lower rate than the prevailing rate in the aviation sector. They are directly comparable with charges at airports such as Liverpool, Norwich, Bournemouth and Teesside.

The charges that are levied on landing at those airports represent only one third of the operating costs of HIAL, because Executive support for HIAL's airports is at a record level—it is £21.5 million in the current financial year. That support has had a dramatic threefold rise in the past five years. The subsidy per passenger at Inverness airport is £7.96 and the subsidy at Stornoway is double that. That level of support has enabled HIAL to deliver a comprehensive programme of capital investment, no small part of which is an instrument landing system at Inverness airport, which was called for today and which will be introduced this year.

We heard today that BAA Scottish Airports is investing £60 million in improved discounts and marketing direct routes. That is welcome, but it should be clear that the organisation is simply catching up with the discounts that HIAL already offers new operators that fly to and from Highland

airports. HIAL offers discounts that are as high as 75 per cent in the first year, which have meant a total spend in the past five years of £1.4 million. That has attracted operators such as easyJet, which flies between Inverness and Luton. However, BAA's decision is welcome, not least here in Aberdeen, where the range of direct routes will be extended.

Members talked about a PSO on the Inverness to Gatwick route, which is an Executive priority. Altering the devolution settlement would not remove the need for the UK Government to support a PSO application for the Gatwick route, as the SNP's motion implied. We have worked and will continue to work closely with Highland stakeholders on the case for securing that route.

Fergus Ewing: When will a decision be made? Will the minister take the opportunity to confirm that British Airways and BAA have submitted letters of objection against the PSO? Has the Executive made them public? What response will it make to those letters?

Lewis Macdonald: I have seen no such letters. Earlier in the debate, I was asked whether I had met Alistair Darling in his new capacity. That was optimistic, to say the least. I have not had the opportunity to discuss the matter with him. However, I have met the minister who is responsible for aviation, David Jamieson, and my officials continue to develop the matter with his officials.

At the outset of the debate, I touched on the air transport consultation document, which will be issued this summer. That will start the largest-ever consultation process on air links in Scotland. It will be launched simultaneously with similar documents elsewhere in the UK. That document will seek views on the range of opportunities, policy scenarios, forecasts of demand, options for the delivery of infrastructure and the possibility of the development of direct routes.

Robin Harper *rose—*

Lewis Macdonald: I am sorry. Time is against me.

We will hold conferences in Scotland to address those issues and to allow the maximum contribution from people who have a direct involvement in the sector and from people on whom aviation has a substantial impact. The consultation process will last approximately five months.

After a thorough analysis and consideration of responses, the UK Government will issue an air transport white paper in the first half of 2003. The Executive will have a full input into that as the lead ministry for developing the Scottish wing of the consultation. The opportunity exists to make a

difference and to develop aviation and air links in Scotland. During the consultation period, I hope to hear from all those who have an interest in the matter. The outcome of that consultation will equip us with the policies and the strategy to advance Scottish aviation for the new century.

15:38

Brian Adam (North-East Scotland) (SNP): I thoroughly enjoyed the debate, because it characterised the difference between SNP members and the rest. We believe that we can take action on air links. All that we have heard from other members is why we cannot do anything. They have no drive and no initiative.

Has the Executive discussed providing more direct links with airlines? What steps is the Executive taking? I have corresponded with people who have said that they had little or no contact with the Executive. If they had had a little contact, it resulted in similar responses to those that we have heard in the debate—that the Executive can do nothing.

I have made personal contact—

Lewis Macdonald *rose—*

Brian Adam: If the minister will bear with me for a moment, I have made personal contact with a number of the airline companies and a number of businesses in the north-east to attempt to encourage more direct links from Scotland to the continent. Business people tell me that they do not want indirect links to the continent. They do not want to have to travel for several days in order to hold a business meeting. What steps has the Government taken to encourage the direct links that business people want? I am delighted to let the minister in now so that he can respond.

Lewis Macdonald: Mr Adam should be aware that an aviation summit was held in December of last year. The summit was chaired by Helen Liddell, the Secretary of State for Scotland, and was attended by the Scottish Executive, the airlines, airport operators and others with an interest in the aviation industry. As Deputy Minister for Enterprise, Transport and Lifelong Learning, I attended the summit. The UK Government and the Scottish Executive is taking a joint partnership approach to the forthcoming consultation process. That approach was developed following the summit.

Brian Adam: Is that why we have seen a cut in the tourism budget, including a cut in the funding for marketing air routes? Is that not a direct consequence of the Executive's involvement in such events?

I want to see more direct links and that is what people out there also want to see. Scotland has a

dependency culture—we are dependent on hubs elsewhere in the UK. All of the routes that BAA is encouraging for development are to London airports. BAA appears to have a virtual monopoly on the main airports in Scotland, which means that there is no incentive for it to do otherwise.

If the Tories believe in competition, perhaps they should take a leaf out of Phil Gallie's book and encourage the approach that has been adopted by Prestwick airport. Prestwick has gone out and built a market for—

Mr Gibson: Does Brian Adam share my astonishment that Mr Gallie and the Tories appear to be against a rail link between Glasgow and Glasgow airport? Mr Gallie talked about a link between Glasgow and Prestwick, when all parties, apart from the Tories, are in favour of a direct link between Glasgow and Glasgow airport. That is what the business community, the local authority and everyone in Glasgow wants.

The Deputy Presiding Officer: That should be a lesson to you, Mr Adam.

Brian Adam: BAA has a virtual monopoly on the main links out of Scotland. It does not appear to have adopted a can-do philosophy. It does not encourage development and it appears to be refocusing its business to act as a retailer as much as a marketer of air services. That may well be in the overall commercial interest of BAA. After all, BAA is controlled from somewhere else.

That is also the situation for members on the Lib-Lab and Tory benches—they too are controlled from somewhere else. Their London focus means that they cannot look to anywhere else in the world without first looking to London. However, the business community in the north-east is looking for direct links, especially to Europe. If we can get direct links from other major airports in Scotland to elsewhere in the world, that would also be welcome.

So far, we have not seen the Executive or its masters in London take a proactive approach to the issue. We have been promised yet another glossy consultation document, but when will we see the results of the consultation? We are told that that might be at the back end of 2003, which is beyond the date of the next election. Is the document yet another attempt to kick an issue, which is a live issue especially in the north-east, into the long grass?

I suspect that later today, when we discuss other transport links in the north-east, we will get the same kind of response. I suspect that we will be told that something will happen, but it will happen after the next election—another issue kicked into the long grass.

My colleagues Fergus Ewing and Duncan

Hamilton dealt ably with the important issue of PSOs. Everybody realises that we have to have PSOs and I will not dwell on them.

I thought that the Tories believed in competition, but they seem to be tied to the idea that we cannot disturb the system too much. I thought that the Tories were the party of enterprise—the party that wanted to make things happen—but the SNP is now telling the Tories how to do that. We are looking to other places in the world, where dynamism exists in the airline industry.

Robin Harper: Will the member take an intervention?

Brian Adam: No thank you.

Earlier this week, Kenny MacAskill and I visited Dublin. Although we were not in the city for as long as Lewis Macdonald thought we were, we were still there long enough to have interesting discussions with a representative from Ryanair and to see what a dynamic airport in a dynamic country does.

Mr Gibson: A country with ambitions.

Brian Adam: The member is absolutely right: Ireland is an ambitious country. Members should have seen the queues at the airport in the middle of a Monday morning. The Labour benches show no ambition at all as far as Scotland's future or its air links are concerned. If we want to encourage tourism and business, we have to give them direct access to markets, not make them go indirectly through someone else's airport which is run by someone else's company in someone else's country.

The Deputy Presiding Officer: Against all expectations, we have finished the debate bang on time.

Genetically Modified Crops

The Deputy Presiding Officer (Mr Murray Tosh): The next item of business is a debate on motion S1M-3153, in the name of Fiona McLeod, on genetically modified crop field trials, to which there are two amendments. [*Interruption.*] As soon as the congestion eases, I will call Fiona McLeod to speak to and move the motion. I hope that she will speak to it herself, and not let Kenny Gibson do it for her.

Mr Kenneth Gibson (Glasgow) (SNP): Oh!

The Deputy Presiding Officer: I am just trying to fill time while the principals assemble themselves. I am tempted to tell members to talk quietly among themselves, but I fear that they might do so.

I call Fiona McLeod to speak to and move her motion.

15:46

Fiona McLeod (West of Scotland) (SNP): At the outset, I want to make it clear that we are debating the future quality of Scotland's agriculture, produce and environment. Scotland has a reputation for quality and can never compete on the basis of quantity and mass production. Our country must continue to maintain that reputation now and in the future.

Indeed, that is what our customers want. Supermarkets know that Scottish produce can attract premium product labels and so premium prices. Producers know that Scottish produce is backed up by quality assurance schemes and so they can sell it on for quality-assured prices. In a survey, 79 per cent of 15,000 Europeans said that they did not want to buy genetically modified products. I ask the minister to stop jeopardising Scotland's reputation for quality by carrying out open-air experiments in this country.

I draw members' attention to a report by Sherwin Shih of Middlesex University entitled "Regulating the Impacts of Genetically Modified Organisms on the Environment: A UK Perspective". The report says:

"These trials follow the bizarre logic of finding out whether it is safe to release something into the environment by releasing it into the environment."

That is hardly a precautionary approach.

We need an evidence-based approach. I ask about the evidence behind the Executive's amendment. Despite what it says, there has been no "step by step" process in Scotland. We already have field-scale trials and flowering GM crops in Scotland, and are currently releasing genetically modified organisms into the Scottish environment.

Moreover, as the Minister for Environment and Rural Development made clear in a letter to the Transport and the Environment Committee, the crops are not being monitored for their effects on public health. I repeat my question: where is the evidence to back up the Executive's amendment?

Although the whole argument has been raging in the Parliament for many years, feelings have been running particularly high in the past three to four weeks in the Transport and the Environment Committee. Mr Finnie has insisted throughout that he has used scientific evidence in deciding to allow field-scale trials to go ahead, but he has ignored scientific evidence of gene flow between GM crops and others; of viable pollen transfer up to 5km; and of loss of biodiversity and organic status. I wonder how many members know that any organic product that they buy nowadays can be certified as only 99 per cent GM-free. Because of cross-contamination, we can no longer certify that our organic produce is 100 per cent GM-free.

There is much more scientific evidence that I would like to bring before the chamber. Members of the Transport and the Environment Committee know that I have already produced a large number of scientific articles, which the minister seems content to continue to ignore. Today, I would like to bring a few of them to the attention of members who might not be aware of the weight of scientific evidence that supports my motion.

One of the articles is Jorgensen and Andersen's 1994 paper in the *American Journal of Botany*, "Spontaneous hybridization between oilseed rape (*Brassica napus*) and weedy *B. campestris*: A risk of growing genetically modified oilseed rape." Another is Jim Orson's 2002 study, "Gene stacking and herbicide tolerant oilseed rape: lessons from the North American experience". I also draw the minister's attention to the European Environment Agency's report, which he says means nothing. It has 233 references at the end, drawing our attention to the scientific problems associated with growing GM crops in the environment. That report was dismissed by the minister and his advisers at the Advisory Committee on Releases to the Environment, who claimed that it said nothing new, despite its referring to 233 items of scientific research.

That brings me to ACRE, upon whose experts the minister relies heavily. Perhaps members should be aware that eight of the 13 original members of ACRE had links to the biotechnology industry. The minister will probably be delighted to tell me, "But those eight people have now been replaced." However, those eight were in place when the Munlochy application was passed to the minister for consent.

ACRE's remit does not cover strategic, ethical or public acceptability issues. ACRE itself accepts

that its advice is not the only advice that ministers need consider. I have already quoted in Parliament from a letter of 31 July 2001 from Adrian Butt of the ACRE secretariat, and I shall quote it again:

“Ministers are not obliged to take ACRE’s advice nor is the Committee’s advice the only consideration for ministers when issuing a consent.”

So what powers does the minister have to protect Scotland’s environmental future? I would like to take members through the three powers that the minister could have used and could still use today.

Article 4 of the 90/220/EEC directive states that member states must

“ensure that all appropriate measures are taken to avoid adverse effects on human health and the environment”.

That brings me back to the Shih report. How can the minister be sure that all appropriate measures have been taken when he is releasing crops into the environment to find out what happens? The minister himself has told us that the Munlochy experiment is not assessing the effects on human health. Munlochy is simply a trial to see how farmers manage the crops. It is not a trial of their effect on the environment or on human health. The trials must stop now before they damage the environment and public health.

Nora Radcliffe (Gordon) (LD): Does Fiona McLeod agree that the whole point of the trial is to measure the effects on biodiversity?

Fiona McLeod: Nora Radcliffe should read the consent, which is to study the farm practice management techniques of using a herbicide-resistant oil-seed rape.

I turn again to the minister’s powers. The Environmental Protection Act 1990 has been quoted before. Section 111(10) provides that the secretary of state—or, in this case, the Scottish ministers—may

“at any time, by notice given to the holder of a consent, revoke the consent”.

If this Parliament says today that we believe that the scientific evidence shows that the minister’s actions are putting the Scottish environment in jeopardy, the minister has the power to revoke that consent and revoke it now.

Robert Brown (Glasgow) (LD): I would be interested to know how an SNP minister, faced with the situation that Ross Finnie faces, would decide, as a non-scientist, how to assess the scientific evidence.

Fiona McLeod: I am terribly sorry, but I do not have great hearing and the acoustics in this room are not good. I think that you are asking what a Scottish SNP minister would have done. A

Scottish SNP minister would have done exactly what the Belgian minister did on 29 and 30 April this year.

Robert Brown: I was inquiring about the basis on which an SNP minister would make a decision when faced with what appear to be all sorts of strands of scientific evidence. How would a non-scientist make a decision?

Fiona McLeod: My first answer still applies. The precautionary principle, which the Belgian minister used on 30 April, should be used. That principle is enshrined in article 174 of the Treaty establishing the European Community. The Belgian minister quoted it and said that, of the five applications for GM crop trials in Belgium, she would turn down two of them. One of them would be turned down because oil-seed rape, which is being tested in Scotland, was involved.

Article 174 of the treaty says:

“Community policy on the environment shall contribute to pursuit of the following objectives:

—preserving, protecting and improving the quality of the environment”.

The treaty says that Community policy

“shall be based on the precautionary principle”.

The minister could use that principle now. A Belgian minister has done so and an SNP minister would certainly do so.

Belgium is a small and independent European nation. It is not an anti-science nation but a pro-evidence nation. It should be contrasted with Scotland, which is a small, dependent UK subsidiary whose Minister for Environment and Rural Development proclaims himself a GM fan and refuses to examine and accept the evidence. He refuses to use his powers, which I have outlined to the chamber. Indeed, some weeks ago, he gave back many of those powers to Westminster. He has taken a hot potato and chucked it back elsewhere.

Every MSP must examine the scientific evidence and the evidence relating to legal powers that I have produced. They must examine the minister’s motivation for stubbornly refusing to use his powers and they must vote for Scotland’s environment rather than for Labour’s biotechnology donors.

I move,

That the Parliament believes that the future of Scottish agriculture is in quality produce, meeting consumer demand and reflecting its outstanding environmental reputation and that, in light of scientific research which raises concerns about the environmental and public health effects of GM crops, Scottish Ministers should immediately apply the precautionary principle and use their powers to halt the Scottish field scale trials and restrict future testing to enclosed laboratories.

15:57

The Minister for Environment and Rural Development (Ross Finnie): As Fiona McLeod said, this is a serious debate. It concerns the future of Scotland's agriculture, environment and science and balancing the progress of science with robust procedures to protect human health and the environment.

As in any branch of science, we should start with propositions on whether there might be—I stress the words might be—advantage in pursuing scientific development. One can have a view on whether a proposition is proven. There can be no doubt that genetic science has proven itself in medical science. However, in respect of the environment, I do not think that any member is content with the level of pesticides and other chemicals that are poured on to our crops or with the way in which we deteriorate our soil. There may be *prima facie* evidence, but that is not the issue. The issue is whether there is a *prima facie* case. The real test then for politicians is to ask, "In this and in every branch of science, what procedures will apply to the process to give due protection to the environment and human health?"

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

Ross Finnie: No, I want to proceed a little more.

What do we mean by a precautionary approach? Our precautionary approach is not based on what one, two or three individuals think might or might not be right. If there is a question of risk, procedures must be put in place to address the safety of crops for human health and the environment. I will return to the whole question of taking a step-by-step approach.

On the process, the requirements that operate in respect of human health are that, from an early stage, the genetic stability of the inserted sequence must be shown. It must be shown that information can be produced that demonstrates that no toxic or harmful effect on human health or the environment arises from the genetic modification.

Brian Adam (North-East Scotland) (SNP): The minister rightly suggests that we must be careful and that we should not be luddite with regard to science. Does he share the concerns expressed by the British Medical Association that some of the material that is being considered for release would be detrimental to human health on the basis that we would be putting antibiotic-resistant material into the food chain? In the light of the significant problems that exist with antibiotic resistance, that is very foolish.

Ross Finnie: We are not putting anything into the food chain. That is not what the trials are

intended to do. We have not yet reached the process of authorising commercialisation. Four or five other tests will address precisely that issue.

I do not accept Fiona McLeod's comments about ACRE. Three or four years ago, Michael Meacher threw off the committee the people who had connections to the biotechnology industry.

The test relates to the question that Robert Brown asked and which was not answered. Of course, we do not have to take ACRE's advice, but members should consider the process. Is it unreasonable for a minister to approach an independent scientific body and ask it for its views on the evidence rather than play God and Mammon with science? That raises the question of the scientific qualifications, probity and integrity of members of ACRE. Nobody has challenged the scientific ability, probity or integrity of ACRE as it is currently composed.

John Scott (Ayr) (Con): Does the minister accept that his party has said that it was unreasonable for the Conservative Government, with regard to BSE, to do exactly what he is doing, which was to take the advice of the Spongiform Encephalopathy Advisory Committee?

Ross Finnie: That is an interesting political point. I am asking a direct question about whether it is unreasonable for a minister to ask an expert committee for advice rather than play God and Mammon.

On several occasions, Fiona McLeod said that I had ignored evidence that she put to me. I have never done that. Any evidence that is passed to my department or me is passed on to ACRE for it to evaluate so that it can come to a view on it.

Mary Scanlon (Highlands and Islands) (Con): The minister may not be ignoring the evidence, but is not the main problem as far as public health is concerned the fact that we do not have evidence? There is no monitoring, auditing or baseline data at Munloch. How can the minister reassure people who are worried about the public health concerns?

Ross Finnie: I will come on to that point directly. I want to outline the step-by-step approach that is being taken.

In the United Kingdom and in Scotland, the starting place must be the laboratory. Crops cannot simply be planted out in the open. It is necessary to start a trial in the laboratory and permission is required to do that. It is also necessary for permission to be granted when a trial moves into controlled greenhouse conditions. After that, there are small plot-scale trials. In those trials, people collect the toxins and dioxins that are emitted not only from the particular crop but from any other crop, and test the levels against those of

comparable crops. They are required to show that the levels are within those tolerated by health and safety standards. Only once the trials have met the conditions that I have outlined can the seeds get a part B certificate. No seed that is currently being grown in plot trials anywhere in Scotland does not possess a part B certificate. In other words, the essential questions on the impact on the wider environment and public health have been addressed.

I do not agree with Fiona McLeod's proposition. All the evidence that has been gathered is designed to examine the impact of the difference between farm practices for conventional crops and for GM crops to test the impact on biodiversity. To claim otherwise is disingenuous.

Shona Robison (North-East Scotland) (SNP): Does the minister agree that his party is disingenuous when it expresses concerns about GM crops? Would he make the same accusation against the BMA?

Ross Finnie: I am saying that, in discharging my responsibility as a minister, I am careful to seek outside evidence from bodies such as ACRE, the Food Standards Agency and the Health and Safety Executive.

I want to make clear one part of the process for applications for trials, which is set out in the regulations. The regulations set down a ridiculous length of time for consideration by the public. I have never supported that measure and have sought constantly to change it. At present, 90 days' consideration is required for brand new field trials. With second trials, 30 days are required and then the figure comes down to 15 days. The Scottish Executive got a voluntary agreement, which was not, in my view, good enough. We went back and negotiated a six-week period, which I still believe is not adequate.

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

Ross Finnie: I am running out of time.

The Deputy Presiding Officer (Mr George Reid): You are in your last minute.

Ross Finnie: We hope to do something about the time limits in the regulations, which we will circulate.

The problem that we must all face is that even the revised European directive says that we should arrive at decisions on the basis of a scientific judgment. Of course everyone thinks that it is good and right that Scotland should be at the forefront of science, but the Executive will never promote science carelessly and recklessly. I assure members that our approach is to test and judge the evidence. That approach does not involve ministers coming to a view as to whether a

piece of science suits their purpose. I will not do that: I will ask bodies such as ACRE for their independent judgment as to whether particular processes will give rise to serious harm to the environment or to human health. That process is entirely reasonable. Given the legislative framework, I believe that it is a responsible basis on which to proceed because it allows us to progress with science but never puts human health or the environment at risk.

I move amendment S1M-3153.2, to leave out from third "that" to end and insert:

"therefore recognises the fact that the development of GM crops in Scotland has proceeded on a precautionary basis requiring, firstly, that releases of GM material are only authorised if an objective scientific test demonstrates that such a release will cause no harm to human health or the environment and, secondly, that a step by step approach is taken involving laboratory testing, plot trials and the current field scale trials with no decision on commercialisation to be taken before a full evaluation of the field scale trials has been completed."

16:07

John Scott (Ayr) (Con): I welcome the opportunity to introduce another element of caution into the GM debate. Before I do so, I want to make it clear that I believe that GM crops will be our generation's legacy and an answer to the problem of nourishing an ever-growing world population. Given the finite resources of land and water on the planet, science must address the nourishment of the world's population, which is set to double this century. The problem looks even more acute when set against the backdrop of global warming, rising sea levels and the consequential loss of productive agricultural land. In order to avoid the Malthusian precipice, we have an obligation to future generations to develop plant forms to nourish our population.

Whatever we do must be safe and sustainable. Today, we are again debating the safety of a technology that, in its present state, poses more questions than answers. I suspect that all members would like to proceed with the development of GM organisms for the greater benefit of mankind, if we were safe in the knowledge that such organisms will not ultimately cause more problems than they solve. Neither Ross Finnie nor the scientific community have given us that reassurance. That is why the Conservative party believes that a fresh and complete review of all the scientific evidence should be undertaken. That is necessary not only on environmental grounds, but on public health grounds. It is no longer good enough for Minister Finnie to huff and puff indignantly that all is well because ACRE says so. When the BMA suggests that there are grounds for concern, who are we to believe? When the Health and Community Care

Committee has not investigated the issue, what are we to think? If, as the minister said—I might not have understood correctly—toxins and dioxins are being emitted in the crop trials, God help us. The public of Scotland demand more reassurance than they are being given.

The European Environment Agency report, which asks 233 questions, speaks for itself. If there is an abiding political lesson of the past 10 years, it must concern the dangers of Governments' accepting blindly the advice of one group of experts with regard to food safety. For eight years, the Spongiform Encephalopathy Advisory Committee advised that there were no problems with BSE. History records how wrong that judgment was. Today we face an identical situation with regard to GM crops and we are hearing an identical response from the Government. Once again, ministers are not prepared to make decisions, but are following the scientific advice that is available in one area only. I understand the dilemma that ministers face. However, we must remember that farmers farm, lobbyists lobby and ministers decide—as Labour and Liberal politicians were only too keen to point out with the benefit of hindsight, when they called for an inquiry into the outbreak of BSE.

Iain Smith (North-East Fife) (LD): Will the member take an intervention?

John Scott: No, I will not, thank you.

Ministers have to take responsibility, and I regret the fact that Ross Finnie is doing nothing to allay public fears. If he were prepared to accept, on behalf of the Lib-Lab coalition, liability for any potential adverse effects of the trials on human health or environmental well-being, he would be more credible. Twice I have pressed him on the issue of liability for potential damage and twice he has ducked the issue. If he is certain that there is no problem, why does he find it difficult to say, "I and my coalition partners will happily pay compensation if a problem emerges now or in the future"?

Conservative members stand by our position that the experiment should be postponed. If it takes four or five years to complete what should have been a three-year trial, so be it. In the context of the time scales that are involved, another year is not critical, but it is critical that we get it right. Once out of the laboratory, genetic genes cannot be put back. We have one chance to get it right and an ultra-cautious approach must be developed. That must start with a fresh review. The trials should proceed only if all shades of public opinion are convinced of their safety. Until there is scientific consensus on the safety of GMOs—which does not exist at the moment—we must proceed with extreme caution. The people of Scotland do not expect coalition Governments to

gamble with their future when reasonable doubts have been expressed. The minister must act now to redeem his position, or face the consequences.

I move amendment S1M-3153.1, to leave out from "and that" to end and insert:

"and to maintain this reputation considers that it is now necessary that a complete review of all available scientific evidence is undertaken to confirm the safety of the continuation of these trials in order to reassure the public on environmental and health grounds and further to make a concerned public aware of the importance of genetic modification with regard to nourishing and feeding an ever-expanding world population."

16:13

Mr John Home Robertson (East Lothian) (Lab): I had ministerial responsibility for the Scottish agricultural and biological research institutes during Donald Dewar's Administration. In that capacity, I learned a little about the work of the Scottish Crop Research Institute at Invergowrie. I was extremely impressed by the people whom I met there and whom I saw working there. They are not some kind of vegetable Franksteins; they are public-spirited, professional scientists and they deserve our support.

The debate raises serious concerns about the future of science and science-based industries in Scotland. It is worth bearing in mind the amazing history of scientific and technological innovation in this small country. There are loads of examples of world-leading scientists starting their work in Scotland; however, it is depressing to recall that most of them had to take their ideas and potential somewhere else for development and wealth creation. The names Alexander Graham Bell and John Logie Baird head a long and depressing list.

Bruce Crawford (Mid Scotland and Fife) (SNP): I acknowledge what the member says about scientists. However, I have here a report from the European Environment Agency, which is a reasonable body to be dealing with this issue. The agency has undertaken a review of GMOs and concludes:

"Under current farm practices, local contamination between crops is inevitable".

The review was carried out in Europe. Does John Home Robertson accept that the European Environment Agency is a substantial body that deserves to be listened to?

Mr Home Robertson: I agree that tests need to be undertaken so that we can learn from the results and that we should take a precautionary approach.

To continue with my earlier line, the Parliament and Executive can and must create an environment in which good Scottish science can

flourish. We need an economic environment for investment and we must have a political environment for innovation. That is what the Executive seeks to achieve.

Fiona McLeod: Will the member give way?

Mr Home Robertson: I am sorry, but we are short of time.

There is no point in having an Executive that is committed to quality science in a climate of hostility toward scientists and sympathy for science saboteurs. Scottish scientists might as well pack up altogether if Parliament is going to make nonsense of the precautionary principle by banning field trials regardless of the outcome of laboratory tests. That is the logic of the motion that Fiona McLeod moved.

None of us yet knows whether GM crops will turn out to be appropriate for Scotland. However, GM technology might be a good way of carrying forward the ancient science of plant breeding to feed the growing population of the world and, I hope, reduce dependence on harmful pesticides. Yes—there are legitimate concerns that genetic modification might give rise to risks, so it is imperative that GM varieties should be subjected to thorough testing at every stage. That is what Ross Finnie described. Nobody wants to run risks with Scotland's natural environment and that is why the Executive is applying the precautionary principle.

I put it to Fiona McLeod that ignorance is not bliss. Refusing to allow scientists to study a process that could be of immense benefit to the economy of Scotland and to the ecology of the planet would be unforgivable. John Cockburn of Ormiston pioneered the improvement of Scottish agriculture in East Lothian, which is now my constituency.

Fiona McLeod: We are talking about the 21st century, not the 18th century.

Mr Home Robertson: The matter needs to be set in its proper historic context because we could be doing terrible damage to something that has great potential for Scotland.

As I was saying, John Cockburn pioneered the improvement of Scottish agriculture in East Lothian 250 years ago. I have no doubt that some people would have been deeply suspicious of the lime that he spread on the land and the new-fangled neeps that he planted, but at that time Scotland was emerging from centuries of ignorance, and even witchcraft, towards a new era of enlightenment and science. I urge Parliament not to reverse that process in this 21st century debate.

Scotland has the potential to lead the world in bioscience, which could do a lot of good for our

economy. We already have an exciting cluster of bioscience businesses in East Lothian and Midlothian. It would be a tragedy if that potential were to be jeopardised by science saboteurs who do not want to know the answers to their questions. If the Scottish National Party had its way, there would never be a proper research programme; it would be shut down on the ground of blind prejudice. It is just as well that the SNP did not exist when somebody invented the wheel.

The Executive has given a clear commitment that it will apply stringent safeguards to protect the environment and maintain tight control over every stage of the development of GM technology. I strongly support that cautious, responsible and precautionary approach and I hope that Parliament will actively support innovative Scottish scientists who are working to that agenda. I hope that Parliament will reject the motion and support the Executive amendment.

The Deputy Presiding Officer: There will now be open debate that will finish at 4.40, so not all members will be called. I will allow speeches of four minutes and a little for interventions. I call Robin Harper, to be followed by Brian Adam.

16:18

Robin Harper (Lothians) (Green): The minister seems to have turned on its head a precautionary principle that was designed to protect the environment. He is using that principle to protect not the interests of local people and farmers, but of giant multinational agribusinesses. Instead of using scientific evidence—which Fiona McLeod has quoted time and again and with which I have provided him—that points to grave concerns about the environmental impacts of oil-seed rape, and instead of considering the economic impacts on local organic and conventional farmers, he is calling for unequivocal evidence that the trial will be harmful.

Well, we cannot provide him with unequivocal evidence. We are saying that there is enough evidence around to say that we should invoke the precautionary principle. I will introduce at this point a series of steps, which has been provided by the group Highland and Islands GM concern, that Parliament could take and which would be constructive. Step 1 is that we review the consents that have been given by the Executive for crop trials grown at distances at which it is known there will be gene flow.

Step 2 is that the Parliament commission new research that is not funded by interests that could stand to gain from particular outcomes, to examine the impacts of GM crops, GM pollen flow and GM food on human and animal health. Scotland could join Norway as one of the few countries that seek

independent evidence on this crucial matter.

Step 3 is that the Parliament review the blanket decision by the Department for Environment, Food and Rural Affairs and the Pesticides Safety Directorate to allow the use of glufosinate ammonium during winter GM trials, which we were not supposed to be doing until recently. As a precaution, we should suspend the winter use of glufosinate ammonium until research under Scottish weather and farm conditions provides detailed evidence of its performance and safety.

Step 4 is that the Parliament carry out an independent review of the Executive's procedure to find out whether and how it has protected Munlochy from pesticide pollution from the GM trial site. If an assessment has not been performed or the site has not been protected, the matter should be referred to the European Court of Justice.

Step 5 is that the Parliament require the Scottish Executive to provide full liability insurance against genetic contamination.

Step 6 is that the Parliament assert the right of consumers to choose, if they want, 100 per cent GM-free Scottish food. I want to correct Fiona McLeod on one point: our organic food is not yet contaminated but it will be contaminated if the Executive continues to fund its policies for another two or three years. Separation distances between any GM crop site and any organic farm should be at least nine kilometres.

Step 7 is that the Parliament instruct Scottish Enterprise to commission a full and independent evaluation of the long-term economic impact on Scotland of adopting GM crops or of remaining GMO free. We need that information.

Step 8 is that the Parliament review the planning legislation and guidance to local authorities in order to enable them to control the growing of GM crops in their areas. Let us put that power into the hands of local authorities. A new GM release directive regulatory order for Scotland should be drafted to include specific measures to enable equal representation of public views and allow for all relevant issues to be given weight in decision making, including social, economic, ethical and other reasons that reflect local public majority preferences.

Step 9 is that the Parliament draft a regulatory order of the new GM directive to ensure that it allows only GM crops that are demonstrably safe, useful, locally beneficial and acceptable to local communities. It should also ensure that the companies who develop an organism should accept full and ever-lasting liability for any impacts it might have.

16:23

Brian Adam (North-East Scotland) (SNP): The motion suggests that

"the future of Scottish agriculture is in quality produce".

Scottish agriculture relies on differentiation in its market. If we aim only at mass worldwide markets, perhaps we should go hell for leather for GM crops to reduce the cost and ensure that our produce gets into the market at the cheapest price so that we can compete on an even basis. That will not happen, however. Such a move would be against the interests of Scottish agriculture because what sets Scottish products apart is their quality, part of which derives from the environment in which they are grown. We have the opportunity to further develop our organic farms and benefit from the added value that will come from producing high-quality products. Trials of GM crops threaten that.

The Executive has an unusual approach to the precautionary principle. In allowing the trials to go ahead, it is saying that it is up to those who object to prove that there are scientific, medical, health or environmental grounds on which consent should not be granted. That is the only area in which that approach to the precautionary principle is adopted. Normally, it would be up to those who wish to do something new to prove that it was safe, but the Executive is asking us to prove that it is not safe.

Mr Brian Monteith (Mid Scotland and Fife) (Con): Is the SNP's argument that, once the trials are proven safe in the laboratory, they should be able to go into the field?

Brian Adam: I have no problem with that, but evidence exists that there is gene flow. Evidence exists that the separation distances that are currently allowed are far too narrow. There is no scientific consensus that GM trials are safe. Bruce Crawford referred to the EEA's having expressed its concerns about GM trials. The BMA has also expressed concerns. Those organisations are not anti-science luddites such as those to whom John Home Robertson and his master south of the border have referred in recent days.

Bristow Muldoon (Livingston) (Lab): Will Brian Adam give way?

Brian Adam: No.

The motion is not about luddite measures. We are talking about safety and the precautionary principle. Other legislatures have taken a view that is different from Ross Finnie's. His party and its leaders have taken a different view. I am very interested to hear what Liberal Democrat members will have to say in the debate.

The jury is out on GMOs and while it is, there ought to be a moratorium. It is not essential to the future of Scottish agriculture to have GM crops

now, but it is essential that we ensure that we do not destroy our reputation for quality products on the off-chance that GM crops will be a wonder product for the future. We will not lose out by sitting back and considering GM crops for longer. We will not lose out by continuing to work in laboratories and by not allowing GM genes to escape into the environment. The Executive has already allowed GM genes to escape into the environment. It did that when it allowed contaminated seed to be used as a control. It did not even know that the control material that it was using was contaminated with GMOs. What confidence can we have in the independence of the scientific advice?

I ask the minister to examine carefully the openness of the advisory bodies that the Executive uses. A series of them have been questioned publicly. We should not rely too much on those in the past that have had industry links; rather, we must consider carefully how we will choose independent advice in future.

16:27

Bristow Muldoon (Livingston) (Lab): I will start with the intervention that I was going to make on Brian Adam. Much has been made of the BMA's approach to the subject. However, the response that I got from the BMA's Scottish public affairs officer in the course of e-mail correspondence with the organisation stated:

"the BMA does accept the value of trial sites, since, the best strategy for dealing with environmental risks, where we are confronted by profound uncertainties, is to act cautiously, and to embark on a systematic programme of research to improve our understanding."

The BMA's position has been misrepresented.

Bruce Crawford: Will Bristow Muldoon give way?

Bristow Muldoon: No, I will not give way at the moment.

Bruce Crawford: You are quoting selectively. That is not the true BMA position.

Bristow Muldoon: I am sorry, but the quote is factual. I got it straight from the BMA today.

The SNP's approach reminds me of the story of the monkey in Hartlepool, a distant relative of whom was recently elected as the mayor of Hartlepool. The SNP's approach seems to be that because the monkey cannot prove that it is not a French spy, we should hang it. That is what the SNP would do to Scottish science. Scotland's future depends on developing our scientific base, as my colleague John Home Robertson outlined. It is clear from the SNP's position that it aspires to a logic-free, science-free and industry-free Scotland.

SNP members have been giving us expert analysis. I do not pretend to be an expert scientific analyst in the field. I am surprised that SNP members do. The minister does not pretend to be an expert, but he takes advice from experts in the field. I believe that 14 specialist scientific committees provide information to the Government on the issue. In addition, agencies such as the FSA provide information on GMOs. Strategic and genuinely expert scientific advice underpin the Executive's position.

Apart from ignoring the scientific position, the SNP ignores the legal position. The minister has clearly stated that the only legal basis on which he could suspend current trials would be that of having sound evidence that they pose an environmental or health risk. No such evidence exists. All the various pieces of evidence that have been claimed by the SNP have been refuted. The Tories' position is also curious. It seems to move from week to week.

Fiona McLeod: Will the member give way?

Bristow Muldoon: No, thank you very much. Our time is very limited.

The Tories seem to be returning to the position of allowing some degree of development of GM in the future. That is contrary to the position taken by John Scott at the Transport and the Environment Committee just a few weeks ago. Then, in spite of the scientific evidence to which the minister had referred, John Scott wished to stop the current trials and dig up the existing trial crops. The Tories seem to be finessing their position.

John Scott: Will the member give way?

Bristow Muldoon: No thank you.

John Scott: Oh, come on.

Bristow Muldoon: I am sorry but, as a back bencher, I do not have the opportunity to speak for quite as long as John Scott, who I noted did not take any interventions.

Our position should be firmly based on sound science, which is exactly the position that has been outlined in the Executive amendment and in the minister's opening remarks. The SNP's position is obviously based on populism and opportunism. It is no wonder that one of its own MSPs, Margo MacDonald, said in the national press that the SNP is in a state of demotivation and confusion and will go down to electoral defeat again next year as a result.

16:31

Mr Jamie McGrigor (Highlands and Islands) (Con): It seems that, because of the situation in regard to GM crops, people have lost confidence in science. That is a terrible thing for this country

and an unhappy state of affairs, although it is understandable when we consider that Labour has passed the buck to the Liberals, and that the Minister for Environment and Rural Development's party recently appeared to be against his policy, while the SNP is completely shutting the door on any future development of GM. I agree that the trials should at least be postponed until scientific advice proves that they are safe for the environment and public health.

No wonder people are confused. It has been left to John Scott of the Scottish Tories to produce a sensible policy, which is exactly what his amendment describes. The public is right to be concerned about public health and the environment. Nowhere are those concerns more evident than on the Black Isle. Scare stories on GM are abundant, and people are right to seek assurances from ministers based on science. Sadly, they are not receiving them.

We need clear leadership on the long-term future of GM. It may be vital to the future of mankind and beneficial in ending hardship and famine. It could also be beneficial in lessening the use of herbicides, which have poisoned our land, waterways, fish and bird life for so long. Surely most organic producers would agree that that aim is laudable. That is why GM must be taken seriously and why pragmatism is needed in seeking a way to make GM work, rather than making it not work. As a farmer, I know that for centuries man has been modifying plants and crops in fields and greenhouses. This is just another chapter in a long story, but we must get it right. If it takes a year or two more to complete the trials safely, the prize will be well worth waiting for.

No science is absolute, but we can eliminate as much risk as humanly possible. At the moment, there are too many unanswered questions. That is why we need a proper audit and assessment of all the science that is available to us. If that science finds that GM is safe, it should be used to sustain people who are dying of starvation. Hassan Adamu, the former Nigerian Minister of Agricultural and Rural Development, recently wrote:

"To deny desperate, hungry people the means to control their futures by presuming to know what is best for them is not only paternalistic, but morally wrong."

We must not stifle human ingenuity. We must continue to support progress based on safe science, rather than on conjecture or spin.

16:34

Nora Radcliffe (Gordon) (LD): There seems to be a lot of confusion about the purpose of the current set of field-scale trials. The trials in Scotland are of oil-seed rape, but form part of a three-year UK-wide programme on three different crops. Only oil-seed rape is being tested in

Scotland, because it is the only one of the three crops that is grown widely here.

The programme is designed to assess the effects on UK wildlife of any changes in farm management practices that arise from growing GM oil-seed rape rather than conventional oil-seed rape. It is designed to measure any impact that that has on biodiversity. Environmental non-governmental organisations, including RSPB Scotland, have supported the trials, because they want the work to be done.

The SNP motion asks that we restrict future testing to enclosed laboratories.

Fiona McLeod: Will the member give way?

Nora Radcliffe: No. I have a lot to cover and not much time in which to do so.

This morning we were pressing for movement from research and development to commercialisation of a different technology. In developing anything, there comes a point at which development has to be abandoned or has to move on. In this case, development has to move from laboratories to contained glasshouses, to open-air small plots, eventually to a wider environment that is still controlled and monitored but nearer to the real world, and then perhaps to the real world. At every stage a decision has to be made whether to abandon the development, whether more work needs to be done or whether it is safe—in very large inverted commas—to move on. That decision can never be made in absolute terms or with cast-iron guarantees. There is always an element of risk in moving into uncharted territory.

We are talking about a seed that was developed 20 years ago. It has undergone laboratory trials, glasshouse trials and small-plot trials. It got clearance for open-air growing in small plots in 1989. It has undergone several hundreds of trials since then, none of which has demonstrated ill effects to health in humans or animals or to the environment. That does not mean that it has been absolutely proved to be safe. No scientist would ever be prepared to say that about anything. We are always working on the latest and best hypothesis and we will always work on that basis.

I am not an advocate for GM oil-seed rape and I am not against it, but I want to know a lot more about it. I am concerned about gene stacking and pollen drift. I acknowledge the concerns of organic farmers and beekeepers, but their rights to farm in the way in which they choose have to be balanced against other people's rights to make their choices.

The farmers in my constituency are interested in the potential of genetic modification to reduce drastically their chemical input.

Fiona McLeod: Will the member give way?

The Deputy Presiding Officer: No, she is in her last minute.

Nora Radcliffe: I am sorry, but I have a lot to say and have only a minute to go.

That has implications for both their competitive advantage and the environment. They are considering possible new options against the background of nitrate-vulnerable zones. They are a canny lot. If and when the time comes, they will offset that against their perception of what the consumer wants and the marketability of their product.

GM technology is an important development. There is no way that we can go back 50 years and prevent it from ever happening. There is no way that we can shut it away and pretend that it never happened. The only way that we can go is forward, but we should go carefully and we should test the ground as we go.

That is the science side, but the people side is also important. The distinction must be drawn between giving information and consultation.

The Deputy Presiding Officer: The member should close, please.

Nora Radcliffe: The regulations that govern the trials are framed expressly to combat nimbyism. That need not inhibit dissemination of information, but the regulations require decisions to be made objectively on scientific advice that is based on evidence rather than being made subjectively on the basis of preference and opinion. There is a democratic deficit, which needs to be addressed.

The Deputy Presiding Officer: The member must leave it there, or she will disadvantage the last member to speak. Given that this is an SNP debate, the remaining two minutes go to Shona Robison.

16:39

Shona Robison (North-East Scotland) (SNP): It is difficult to deal with all the public health aspects of GM crops in two minutes, but I will try to cover the main issues.

The point of the debate is the possible public health impact of GM crop trials. I say possible, because the fact is that we just do not know what they will be. We must have the answer to the public health question before, not after, embarking on GM crop trials. There has to be an immediate end to the current trials until we get those answers. It is not only the SNP that is saying that. The BMA has raised concerns about the trials.

Iain Smith: Will the member give way?

Shona Robison: No thank you. I have only two minutes.

Scotland's leading public health doctors have voted to call on ministers to begin monitoring the health of people who live close to GM crops. That has not been happening. The public health consultant, Charles Saunders, who is chairman of the BMA's public health committee, has criticised the decision to press ahead with the crop trials in Scotland without first assessing the impact on human health. Such an assessment has not taken place. Mr Saunders said:

"Releasing GMOs into the environment really needs to be regarded as an irreversible act. Because of that, the precautionary principle should be applied. Where there is any doubt about whether something is safe or not, you should not proceed until you have eradicated that doubt. There is not adequate information available at the moment to show the safety or otherwise of GMOs. The potential effect on human health is not known."

Yesterday the First Minister talked about building trust with the people. How can he build trust with the people when such a public health issue exists? The only way to build trust with the people is to listen to the public concern. The minister mentioned everything except the public concern. Let us listen to the public's concerns and let us stop the trials until we have the answers to our questions.

The Deputy Presiding Officer: My apologies to the four members who were not called. We move to wind-up speeches.

16:41

Robert Brown (Glasgow) (LD): The debate, which has dealt with an important issue, has been short and contentious. I share many of the concerns that members have expressed about the longer-term effects of GM crop trials. Such concerns were expressed at my party conference and they have been expressed by local people in the Black Isle and by the local representatives, John Farquhar Munro and others.

We are not at the outset of debating the issue, nor are we at the stage of debating the commercial growing of GM crops. That is a different, more fundamental, debate. We are operating within the framework of European Community directive 90/220, which makes clear that the SNP's proposal that there should be a blanket halt on trials would not be legal. European Union law requires a case-by-case assessment before allowing decisions on the release of GMOs.

It is also clear that the minister—who is not a scientist—must proceed on the basis of the advice that is given to him by an independent expert committee. I reiterate the point that I made at the beginning of the debate. How on earth can any minister of any party in any Government make decisions except on the basis of independent expert advice?

The SNP's case is illogical in another way. Although SNP members have made very good speeches, I am not quite sure what the SNP is saying. In a press release that was issued a while back, Fiona McLeod said that the SNP wanted a GM-free Scotland and that that was just one of the benefits that we would obtain from an independent Scotland. We do not know what the argument is there, of course.

Are we properly considering the science? Will we allow the tests to finish so that we can make decisions on that basis, or will we knock out altogether the possibility of receiving scientific advice on the matter? An article by a colleague of the SNP appeared in *The Scotsman* on 27 May. In it, the SNP's position was described as

"an intellectual fraud ... a transparently populist move that sadly plays on natural fears for political effect."

The issue is important and it must be dealt with rationally. We must take the public with us and there will have to be a big public debate on the issue before the final decisions are made. We are at the test stage; we are finding the information. For goodness' sake, let us conclude the trials and make the decisions in the light of the fullest information, which should be made available to the Parliament and the country.

16:44

Alex Fergusson (South of Scotland) (Con):

The debate has been dominated by a degree of discomfort. The SNP's discomfort is plain for all to see. Its motion is not derived from any great position of principle, but from an almost embarrassing desire to play populist party politics with an issue that deserves something better.

The minister's discomfort stems from the Executive's back benches, the Labour members of which do not understand the issue, as it is a rural one, and, in particular, the Liberal members, who will no doubt support their minister, even though their party membership opposed the field-scale trials by a 2:1 majority. It therefore comes as no surprise that the only sensible position in the debate is that which has been taken by the Scottish Conservatives.

Since the horrendous days of BSE, when the then Government acted according to the best scientific evidence available, as Mr Finnie claims to be doing now, the public have not been prepared to accept ministerial assurances—

George Lyon (Argyll and Bute) (LD): Will the member take an intervention?

Alex Fergusson: Certainly not from a Liberal, who will not even listen to his minister on the issue.

The public are no longer prepared to accept

ministerial assurances that all is well. I cannot say that I blame them. The public need to be doubly reassured on GM field trials, but that is not possible when the minister himself has told the *Sunday Herald* that

"there's clearly a majority view which says that you can't continue simply to do small plot-scale trials because they're not actually going to find the results".

That statement implies two things: first, that there are still many unanswered questions; secondly, that a substantial minority of scientific opinion believes that answers can be obtained from small-scale plot trials. Given the fact that the scientists are in disagreement, no wonder there is such huge public concern.

I agree with John Home Robertson that we must pay great tribute to all the scientists who are involved on both sides of the argument. In particular, I want to pay tribute to the work of Professor Hillman and the SCRI, to which John Home Robertson referred.

My colleague John Scott has eloquently outlined our environmental concerns, but I want to touch briefly on the possible effects on human health. I echo the warnings that have been given by Dr Charles Saunders, who is the chair of the public health committee of the BMA, which has said that

"any adverse effects from GMOs are likely to be irreversible."

That is worth thinking about seriously. Despite Ross Finnie's speech, in which he attempted to lay those fears to rest, those concerns are worth a bit of caution. They are worth the extra precaution that is proposed in today's Conservative amendment.

Why is the impact of GMOs on public health not being monitored or evaluated? Why will the minister not undertake to provide the public reassurance that such monitoring would bring? If he were to do that, the 92 per cent of residents in the Munlochy area who oppose the trials might even support them. Like us, those residents recognise the tremendous advantages that GM could bring across the world. Like us, they want a greater degree of reassurance than is available.

Until such a reassurance is given, neither they nor we will condone the field-scale trials with which Ross Finnie is blindly pushing ahead. The minister has turned a deaf ear to all concerns and has said nothing new in the debate. Blind, deaf and effectively dumb—that is the Executive's position on GM crops. It will not be easily forgiven. I support John Scott's amendment.

16:47

The Deputy Minister for Environment and Rural Development (Allan Wilson): Let me first

reassure members that we are neither deaf nor dumb. Furthermore, I believe that we should raise the level of debate beyond personal abuse.

The charge that is levelled against us in the motion is that we are somehow ignoring scientific evidence and playing fast and loose with public health and the environment. That suggestion is completely untrue. As Ross Finnie emphasised, commitments to human health and environmental protection are at the heart of the Executive's priorities. We have developed a step-by-step approach towards the development of GM crops precisely because we are concerned to ensure that the technology can be developed without causing harm.

Mr Alasdair Morrison (Western Isles) (Lab): If the Executive received any evidence that GM products caused harm to human health or to the environment, would the Executive stop farm trials?

Allan Wilson: Any such evidence would be evaluated. If such scientific advice were corroborated by ACRE, we would stop such trials.

The information that is required to support applications to release a GM crop is extensive and thorough. The GM crops in Scottish field trials have been through that tough scientific evaluation and have previously been grown in glasshouses and in small research plots for many years. The scientific advice of the expert bodies that advise the Executive is unequivocally that the GM oil-seed rape in Scottish trials does not pose a safety threat. It would be irresponsible for Ross Finnie or me to ignore the unambiguous advice of our expert advisers. As Robert Brown pointed out, it would be illegal for us to halt the trials on the basis that nationalists and others have voiced concerns that are not supported by solid evidence.

The Belgians have been misrepresented as having stopped farm-scale evaluations, whereas they have simply asked for further evidence. Many have suggested that scientific evidence shows that there is harm from GM oil-seed rape. All such claims have been carefully examined but nothing has emerged from that process. [*Interruption.*]

The Deputy Presiding Officer: Order. There is far too much burbling going on. It is disrespectful to the minister.

Allan Wilson: Perhaps it is time for the posturing to stop. If there are further doubts to be investigated, let us see the evidence.

Scaremongering—something that SNP members know a bit about—causes understandable public alarm. However, the science and the scientific expertise that we draw on are sound. As many have said, the process will ensure the realisation of the potential benefits. The potential environmental benefits are tremendous—

for example, the reduction in the use of damaging herbicides and pesticides. We have the capacity to feed the world—can SNP members not raise their sights beyond the narrow, nationalist, insular approach.

Richard Lochhead: Will the minister give way?

Dorothy-Grace Elder (Glasgow) (Ind): Will the minister give way?

The Deputy Presiding Officer: The minister is on his last minute.

Allan Wilson: Scotland cannot turn its back on innovation or scientific advance. We have, as *Business a.m.* said today, a proud tradition of looking forward. We have benefited enormously from the contribution of scientific advances. Responsible science and responsible policy making operate on the precautionary principle. However, that principle should make us proceed with care on the basis of fact, not make us fail to proceed at all on the basis of prejudice. That sentiment was expressed by the UK Prime Minister only this week.

The Scottish Executive will promote a public debate on the evidence on GM crops in this country. The evidence from field trials will inform that debate. Let us see that evidence before we jump to premature conclusions. No evidence has been presented from the SNP side. We were promised evidence, but instead we have had a damp squib. We should not be surprised that a party that is led by a damp squib should let off a damp squib today.

I urge the support of all colleagues for the Executive's amendment today.

16:52

Bruce Crawford (Mid Scotland and Fife) (SNP): I make it plain from the beginning that the SNP is not anti-GM per se; we are anti-taking risks with the environment. We want evidence to be assessed properly. We are not for gambling with Scotland's farms, gambling with Scotland's environment, or gambling with Scotland's public health.

Time after time—in the public arena before today and again during the debate—ministers have tried without success to allay the fears and concerns about the impact of GM crop trials in Scotland. In particular, they have cited advice provided to them by their scientific advisers—specifically, the Advisory Committee on Releases to the Environment—and claimed that the advice left them with no choice but to consent to GM crop trials in Scotland. I say to Ross Finnie that ACRE is only one advice-giving body and that, in following the regulations on the process of giving consent, he is in no way bound to accept the

advice of just one advisory body.

I think that I heard Allan Wilson say that ACRE was the be-all and end-all of advice centres for the Executive. However, in a letter of 31 July, ACRE said:

"Ministers are not obliged to take ACRE's advice nor is the committee's advice the only consideration for ministers when issuing a consent."

I say that because, out there in the scientific community, there is much evidence—about which ACRE has advised the minister—that runs contrary to the recommendations that ACRE has placed before him on GM crop trials. It cannot be argued, from any credible intellectual standpoint, that the European Environment Agency report "Genetically modified organisms (GMOs): The significance of gene flow through pollen transfer", which was published earlier this year, provides anything other than evidence of harm. Statements in the chapters of the report dealing with oil-seed rape—the only GM crop that is grown in Scotland—make for remarkable reading when set alongside the advice that the minister has been given by ACRE. I know that the minister knows of the report, but has he read it? Did ACRE tell Ross Finnie exactly what the report says? If he has not read it, I suggest that he do so very soon, because the advice that he has been getting has not been very good at all.

For instance, did ACRE tell the minister that, as the report says,

"some pollen transfer and fertilisation up to 4km can be expected"?

Was the minister told that bees are capable of flying 5km, meaning that pollen can be transferred over distances of up to 10km? The report throws into question the accuracy and validity of the response that the minister provided to the question put by the Transport and the Environment Committee, which asked how far the nearest non-GM commercially grown crops are sited from GM crop trials at Munlochy. The minister told the committee that such crops were sited 1.3km, 1.5km and 1.7km away. His letter continued:

"Successful cross-pollination over the distances involved must be considered extremely unlikely and, in the opinion of all our expert advisory bodies, does not give rise to any safety concerns."

The minister should be reconsidering the advice that he gets from his advisers. The European Environmental Agency report blows a huge hole in the arguments with which the minister is being furnished. The report says:

"The risk of hybridisation between oilseed rape and some wild relatives ... is high."

It also says:

"Oilseed rape can be described as a high risk crop for pollen mediated gene flow from crop to crop and from crop to wild relatives."

However, even more worryingly, on consequences, it says:

"From an agronomic point of view, the transfer of novel genes from one crop to another could have a number of implications, including depletions in the quality of conventional and organic crop seed leading to a change in their performance and marketability."

The European report is quite clear. The minister should be listening to that scientific advice. The report is full of advice that such crops can be harmful to Scotland. The message could not be clearer. Ross Finnie is putting at risk the high-quality product of Scottish farms.

The question must be asked: in view of the report, why can the minister not put an end to the trials of GM crop seeds? There is no scientific reason to prevent such action on the ground of the precautionary principle. All that it would require is for Ross Finnie to have the political courage—that is what this is about—to say that the advice that he has received is not all that it should be and to put a stop to the trials. As the minister said in an article in the *Sunday Herald*, it is about more than simply losing face. Ross Finnie should not be afraid to lose face in this case—the environment is at risk.

After all, calling off such trials is exactly what the Belgian Government has done, regardless of the rubbish that Allan Wilson told us. On 29 and 30 April, the Belgian Government blocked the go-ahead of three GM crop trials involving oil-seed rape, specifically because of the findings in the European Environment Agency report. The Belgians were prepared to take and use that advice and so to ban the trials. In blocking the trials, the Belgian invoked the precautionary principle as contained in article 174 of the EC treaty.

There are no scientific barriers in Scotland—there are only political barriers that have been erected by a Liberal minister and backed up by Labour and Liberal back benchers. It is time to put the future of Scottish agriculture, the environment and public health first. It is time to follow the Belgian example, to implement the precautionary principle properly in Scotland and to stop worrying about losing face. It is time to put a stop to the trials for the good of Scotland.

The Presiding Officer (Sir David Steel): That concludes the debate.

John Farquhar Munro (Ross, Skye and Inverness West) (LD): On a point of order, Presiding Officer. The debate was on genetic engineering and I wonder what sort of political engineering went on behind the scenes, given that I was listed to speak in the debate, one of the main crop trials is in my constituency and yet I was not called. What was the reason for that?

The Presiding Officer: As the member knows, I was not in the chair. However, in defence of my deputies, I have to tell the member that there was simply not enough time to call every speaker. At the end of every debate there is always someone who has been disappointed. We always take note of those who are disappointed and try to make remedies later on.

Parliamentary Bureau Motion

17:00

The Presiding Officer (Sir David Steel): The next item of business is consideration of a Parliamentary Bureau motion. Before I ask Patricia Ferguson to move motion S1M-3163, on the designation of lead committees, I should add that I heard my deputy saying that there was too much burbling going on—that is a good phrase. There is far too much burbling. There are 13 votes at decision time and I ask members to concentrate quietly.

Motion moved,

That the Parliament agrees the following designation of Lead Committee—

the Justice 1 Committee to consider the draft Civil Legal Aid (Financial Conditions) (Scotland) (No 2) Regulations 2002, the draft Advice and Assistance (Financial Conditions) (Scotland) (No 2) Regulations 2002, the draft Criminal Justice Act 1988 (Offensive Weapons) Amendment (Scotland) Order 2002; and

the Justice 2 Committee to consider the Act of Sederunt (Fees of Solicitors in the Sheriff Court) (Amendment) 2002 (SSI 2002/235).—[*Patricia Ferguson.*]

Decision Time

17:01

The Presiding Officer (Sir David Steel): We come now to decision time. There are 13 questions to be put as a result of today's business, so please can we have quiet and concentration.

The first question is, that amendment S1M-3155.1.1, in the name of Mike Rumbles, which seeks to amend amendment S1M-3155.1, in the name of Andrew Wilson, on the potential benefits to the Scottish economy of the planned energy research institute and the diversification of the offshore oil and gas industry, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 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)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)

Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Elder, Dorothy-Grace (Glasgow) (Ind)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGregor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)

Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Munro, John Farquhar (Ross, Skye and Inverness West) (LD)

The Presiding Officer: The result of the division is: For 65, Against 52, Abstentions 1.

Amendment to the amendment agreed to.

The Presiding Officer: The next question is, that amendment S1M-3155.1, as amended, in the name of Andrew Wilson, which seeks to amend motion S1M-3155, in the name of Lewis Macdonald, on the oil and gas industry, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

Christine Grahame (South of Scotland) (SNP): On a point of order, Presiding Officer.

The Presiding Officer: I cannot take a point of order during a vote. Please raise it afterwards.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Gov)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)

McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Baillie, Jackie (Dumbarton) (Lab)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Elder, Dorothy-Grace (Glasgow) (Ind)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 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)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGregor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)

Sheridan, Tommy (Glasgow) (SSP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Munro, John Farquhar (Ross, Skye and Inverness West) (LD)

The Presiding Officer: The result of the division is: For 62, Against 55, Abstentions 1.

Amendment, as amended, agreed to.

Maureen Macmillan (Highlands and Islands) (Lab): On a point of order, Presiding Officer. Some people did not hear that division being called because of the noise.

The Presiding Officer: First, we cannot have points of order during divisions. I gather that you had a problem with your card. My advice is to concentrate on getting your card in the slot rather than on raising points of order. Are you all right now?

Maureen Macmillan *indicated agreement.*

The Presiding Officer: You got it right in the end. Are you saying that you did not hear the vote being called?

Maureen Macmillan: Yes.

The Presiding Officer: It was called quite clearly. Everybody else heard it.

The third question is, that amendment S1M-3155.3, in the name of David Davidson, which seeks to amend motion S1M-3155, in the name of Lewis Macdonald, on the oil and gas industry, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division. *[Interruption.]* Order. If members are going to complain that they cannot hear things, please will they be quiet when I am making announcements.

FOR

Aitken, Bill (Glasgow) (Con)
 Davidson, Mr David (North-East Scotland) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)

Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Ben (North-East Scotland) (Con)
 Young, John (West of Scotland) (Con)

AGAINST

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Elder, Dorothy-Grace (Glasgow) (Ind)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grahame, Christine (South of Scotland) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (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)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 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)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Sheridan, Tommy (Glasgow) (SSP)

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

ABSTENTIONS

Adam, Brian (North-East Scotland) (SNP)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Ullrich, Kay (West of Scotland) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 16, Against 75, Abstentions 28.

Amendment disagreed to.

The Presiding Officer: The fourth question is, that motion S1M-3155, in the name of Lewis Macdonald, as amended by the amended amendment, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division. Members who want to support the much-amended motion should press their yes button now.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)

Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 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)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Elder, Dorothy-Grace (Glasgow) (Ind)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 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)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (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)
 McLetchie, David (Lothians) (Con)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Harper, Robin (Lothians) (GRN)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)

The Presiding Officer: The result of the division is: For 64, Against 52, Abstentions 2.

Motion, as amended, agreed to.

Resolved,

That the Parliament welcomes the decision by Scottish Enterprise to work up detailed plans for an Energy Research Institute in Scotland to commercialise the work of Scotland's universities across the energy field; endorses the policy of support for offshore renewable energy developments on the part of the Executive and the Enterprise Networks, and notes the significant potential for the oil and gas industry to diversify into marine renewable energy technology but notes the Liberal Democrats' opposition to the 10% increase in taxation on the North Sea oil and gas industry, and recognises that this is a reserved issue and the responsibility of Her Majesty's Government.

The Presiding Officer: The fifth question is, that amendment S1M-3162.1, in the name of Richard Lochhead, which seeks to amend motion S1M-3162, in the name of Peter Peacock, on nominations to the European Union Economic and Social Committee, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Ullrich, Kay (West of Scotland) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Henry, Hugh (Paisley South) (Lab)
 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)
 Johnstone, Alex (North-East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)

Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeish, Henry (Central Fife) (Lab)
 McLetchie, David (Lothians) (Con)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Ben (North-East Scotland) (Con)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Elder, Dorothy-Grace (Glasgow) (Ind)
 Harper, Robin (Lothians) (Green)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)

The Presiding Officer: The result of the division is: For 35, Against 83, Abstentions 3.

Amendment disagreed to.

The Presiding Officer: The sixth question is, that motion S1M-3162, in the name of Peter Peacock, on nominations to the EU Economic and Social Committee, be agreed to.

Motion agreed to.

That the Parliament notes the Scottish Executive's wide-ranging consultation with Scottish civic society to identify

nominees for the forthcoming mandate of the Economic and Social Committee of the European Union, endorses the Executive's proposal to nominate Andy Baird (proposed by STUC), Professor Grant Baird (proposed by CBI Scotland), Sandy Boyle (proposed by STUC), Brendan Burns (proposed by Federation of Small Businesses), Danny Carrigan (proposed by STUC), Campbell Christie (proposed by Scottish Civic Forum), Hamish Morrison (proposed by the Scottish Fishermens Federation), Bill Ure (proposed by the Scottish Consumer Council) and Dr Grahame Whyte (proposed by the Institute of Directors), to the UK delegation on the Economic and Social Committee of the European Union for the forthcoming mandate from September 2002 to September 2006; further notes, with regret, that the nomination process has not resulted in any women being nominated, and invites Ministers, in discussion with the other main political parties, to use their best endeavours to secure an enhanced gender balance in the nominations prior to these being finally submitted.

The Presiding Officer: There will be a slight delay, because the last vote went through without a division, but the machinery had already been started for a division.

The seventh question is, that amendment S1M-3154.3, in the name of Lewis Macdonald, which seeks to amend motion S1M-3154, in the name of Kenny MacAskill, on Scotland's air links, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (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)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)

Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Elder, Dorothy-Grace (Glasgow) (Ind)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 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)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (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)
 McLetchie, David (Lothians) (Con)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)

Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Munro, John Farquhar (Ross, Skye and Inverness West) (LD)

The Presiding Officer: The result of the division is: For 67, Against 53, Abstentions 1.

Amendment agreed to.

The Presiding Officer: As that amendment was agreed to, David Mundell's amendment S1M-3154.2 falls.

The next question is, that motion S1M-3154, in the name of Kenny MacAskill, on Scotland's air links, 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)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Canavan, Dennis (Falkirk West)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (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)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)

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)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 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)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (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)
 McLetchie, David (Lothians) (Con)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Munro, John Farquhar (Ross, Skye and Inverness West) (LD)

The Presiding Officer: The result of the division is: For 67, Against 52, Abstentions 1.

Motion, as amended, agreed to.

Resolved,

That the Parliament recognises the substantial and on-going contribution by the Executive and its agencies to the maintenance and development of air links serving Scotland; believes that the best way to develop more international services is through a strategic framework which gives priority to those routes which are best for the Scottish economy; recognises that passenger numbers through Scottish airports are continuing to increase substantially, and notes the publication of the recent report by the Highlands and Islands Strategic Transport Partnership and looks forward to the forthcoming publication of the Scottish Air Transport Consultation Document which will provide a full and inclusive opportunity to comment on the development of aviation policies for Scotland, within the context of the UK consultation led by Her Majesty's Government including the use of public service obligations and the cost of air travel.

The Presiding Officer: The next question is, that amendment S1M-3153.2, in the name of Ross Finnie, which seeks to amend motion S1M-3153, in the name of Fiona McLeod, on GM field trials, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)

Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (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)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Elder, Dorothy-Grace (Glasgow) (Ind)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 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)

Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McAllion, Mr John (Dundee East) (Lab)
 McGregor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Mundell, David (South of Scotland) (Con)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Grant, Rhoda (Highlands and Islands) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)

The Presiding Officer: The result of the division is: For 62, Against 55, Abstentions 3.

Amendment agreed to.

The Presiding Officer: As that amendment was agreed to, John Scott's amendment S1M-3153.1 falls.

The next question is, that motion S1M-3153, in the name of Fiona McLeod, on GM field trials, 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)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)

Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Fitzpatrick, Brian (Strathkelvin and Bearsden) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (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)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (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, John Farquhar (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)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Elder, Dorothy-Grace (Glasgow) (Ind)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)

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)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McAllion, Mr John (Dundee East) (Lab)
 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)
 McLetchie, David (Lothians) (Con)
 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)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 Wallace, Ben (North-East Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Grant, Rhoda (Highlands and Islands) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)

The Presiding Officer: The result of the division is: For 63, Against 55, Abstentions 3.

Motion, as amended, agreed to.

Resolved,

That the Parliament believes that the future of Scottish agriculture is in quality produce, meeting consumer demand and reflecting its outstanding environmental reputation and therefore recognises the fact that the development of GM crops in Scotland has proceeded on a precautionary basis requiring, firstly, that releases of GM material are only authorised if an objective scientific test demonstrates that such a release will cause no harm to human health or the environment and, secondly, that a step by step approach is taken involving laboratory testing, plot trials and the current field scale trials with no decision on commercialisation to be taken before a full evaluation of the field scale trials has been completed.

The Presiding Officer: The final question is, that motion S1M-3163, in the name of Patricia Ferguson on behalf of the Parliamentary Bureau, on the designation of lead committees, be agreed to.

Motion agreed to.

That the Parliament agrees the following designation of Lead Committee—

the Justice 1 Committee to consider the draft Civil Legal Aid (Financial Conditions) (Scotland) (No 2) Regulations 2002, the draft Advice and Assistance (Financial Conditions) (Scotland) (No 2) Regulations 2002, the draft Criminal Justice Act 1988 (Offensive Weapons) Amendment (Scotland) Order 2002; and

the Justice 2 Committee to consider the Act of Sederunt (Fees of Solicitors in the Sheriff Court) (Amendment) 2002 (SSI 2002/235).

The Presiding Officer: I thank members for their co-operation. That ends decision time.

Transport Strategy (North-East Scotland)

The Deputy Presiding Officer (Mr Murray Tosh): The final item of business today is a members' business debate on motion S1M-3073, in the name of Elaine Thomson, on the transport strategy for Aberdeen and north-east Scotland. The debate will be concluded without any question being put. We can risk starting the debate now, as the last members who are leaving the chamber are trickling out through the door.

Motion debated,

That the Parliament commends the North East of Scotland Transport Partnership (NESTRANS) for developing and progressing a regional transport strategy for Aberdeen and the north east of Scotland that promotes modal shift and tackles growing congestion, including the effective development of park-and-ride schemes in Bridge of Don and Kingswells.

17:15

Elaine Thomson (Aberdeen North) (Lab): I am delighted to have secured the debate, as it gives Aberdeen and the north-east the opportunity to have the most pressing transport issues debated during the time when the Parliament is sitting in Aberdeen.

Thanks to lots of active lobbying and to the support of past and present Scottish ministers with responsibility for transport, Aberdeen transport issues have gone from being relatively low profile to being among the top 10 transport priorities for Scotland. Within three years, the profile of those issues has received more attention than in the previous three decades.

Transport is the key issue. I want to see seamless travel and real travel choices being made available across Aberdeen. One third of households in Aberdeen do not own a car and, for many people, public transport is vital. We need a regional transport strategy that is inclusive, whether people are travelling by air, sea, road or rail or on foot. All forms of transport have to be improved to allow seamless transfer between, for instance, car and bus or air and rail. Seamless travel and real travel choices are also needed to safeguard the environment, improve our quality of life, support our economy and make Aberdeen a truly sustainable city.

There has been much talk about and media coverage of the long-anticipated western peripheral route. However, to resolve fully the transport issues in Aberdeen and the north-east, we need a fully integrated transport system. That is what the north east of Scotland transport partnership has proposed in its plan for a modern transport system.

Although the solutions are wider than the provision of just one road, it is beyond question that the western peripheral route is a key component of the NESTRANS proposals. It is vital for the Aberdeen economy that the growing congestion problem is solved. However, solving congestion is about more than road building. Aberdeen has close links to Houston, Texas, which is a typical American city, but one in which, despite endless freeways, congestion remains a major problem.

Across the north-east, traffic problems are expected to soar by 34 per cent over the next 20 years. By putting in place the NESTRANS regional strategy, we should see a decrease in traffic volumes. NESTRANS has been extremely effective. It has brought together Aberdeen City Council, Aberdeenshire Council, the Aberdeen Chamber of Commerce and Scottish Enterprise Grampian. The partnership has now set out a 25-year comprehensive transport plan for Aberdeen and the north-east. The modern transport system that is proposed by NESTRANS will meet the social, environmental and economic needs of the north-east.

There has been wide consultation with the business community and the general population on the NESTRANS plan and the plan has been received positively. Over the past few months, supported by funding from the Scottish Executive, extensive surveys have been undertaken to identify the nature of traffic in Aberdeen. By spring 2003, NESTRANS will know precisely the volume, flow, direction and destination of traffic in Aberdeen and the north-east.

By that time, we will have some of the best-quality information on traffic in Scotland. That will be vital in developing the strategic case for further investment. As a result of Aberdeen being included in the Scottish transport model, which previously extended only to cities in the central belt, the strategic transport needs of the region will be assessed on a level playing field with the rest of Scotland.

I believe that the possible routes for the northern leg of the western peripheral route are to be made public next week. Successful progress is already being made in some areas of the NESTRANS plan. High-quality public transport is being developed. For the first time in a generation, the number of passengers using bus services in the city has increased significantly. Furthermore, our bus services are now clean, safe, reliable and less damaging to the environment, not to mention being accessible to wheelchair users, parents with buggies and elderly people. However, we still need to resolve some issues about ticket pricing on bus services in Aberdeen.

However, what is good value are the park-and-ride schemes. For example, the Bridge of Don scheme has been running for 10 years and usage is increasing all the time. Last month, approximately 4,000 passengers a week used the scheme, which took 2,500 cars off the road. Moreover, the new service from Kingswells has seen an increase in customer numbers of about 15 per cent. The growth in the use of park-and-ride schemes is extremely promising, and I look forward to the further development of the remaining park-and-rides around the city.

NESTRANS has also developed plans for an Aberdeen crossrail, with a half-hour service running between Inverurie and Stonehaven and a new railway station at Kintore. Personally, I would like to see further stops at Altens industrial estate and Persley.

A further component of the NESTRANS plan is the development of rail freight, which is another way of moving goods to market while getting off the road. Finally, there are important initiatives to increase road safety and reduce the number of people, especially children, who are injured or killed in road accidents. The safer routes to school initiative and the introduction of the "twenty's plenty" scheme spring to mind.

To have a sustainable city, we need an integrated transport system that is accessible to all, meets the whole community's needs and respects the high quality of life that we value in Aberdeen. It is vital that we have transport choices that reflect the differing needs of all citizens and organisations in the city. Aberdeen's economic importance was made clear in this morning's debate on the oil and gas industry. I hope that, when he responds to the debate, the minister will make it clear that resolving Aberdeen's growing congestion is high on his priority list. I ask him to consider the request that the Transport and the Environment Committee and I have made to rank Scotland's top 10 transport priorities. I know that there will be discussions about the spending review over the coming weeks, and I hope that the minister will give due recognition to the importance of improving Aberdeen's transport infrastructure. Only with a modern transport system in place can Aberdeen continue to enjoy the benefits and rewards that it is currently so fortunate to receive.

The Deputy Presiding Officer: I am quite confident that we will get everyone in if members keep their speeches to four minutes. I call Stewart Stevenson.

17:22

Stewart Stevenson (Banff and Buchan) (SNP): I thought that my colleague Brian Adam was going to speak first.

Elaine Thomson gave a very interesting speech. She will be aware that, just for the sake of getting something into the business bulletin, I lodged an amendment to her motion. Of course, in members' business debates, such amendments are quite properly never selected. However, my amendment focused on the impact of congestion in the city on business in the area north of Aberdeen. In that respect, I was very disappointed by Elaine's speech. Despite the fact that her own motion refers to

"Aberdeen and the north east"

she entirely concentrated on the effects of the current transport difficulties in the city. Although I acknowledge that other members share my views on this matter, it will come as a surprise to some in the chamber that the effects of congestion in Aberdeen and rural transport are also a matter of concern. The Parliament might be sitting in the city of Aberdeen, but the north-east of Scotland itself is an altogether different matter.

We are delighted to hear that the transport profile of the area and the difficulties that we face have risen into the top 10. However, we are not talking about top of the pops and some transient view of our difficulties; the bottom line is that we need actual money.

We are talking about plans that are coming forward. At the dinner that Aberdeen City Council generously provided last night, the Labour council leader Len Ironside said that a failure to invest would be a problem for the whole of Scotland. I certainly agree with him. He said that things are moving forward, and that he hopes to have funding next year. But hope will not sustain the business communities of the north-east of Scotland; only action will do so.

We have heard that inclusive transport is needed, and I thoroughly agree with Elaine Thomson on that. She gave high praise to the efforts that have been made in the city to allow people with wheelchairs access to buses. However, I draw to her attention and to the minister's the fact that there are also many people in rural areas who are disabled and use wheelchairs to get about. Although they have the necessary passes to get access to buses, rural areas do not have buses that the wheelchairs can automatically get on to. Even more to the point, we do not have bus drivers who are able or willing to lift wheelchairs on to their buses. I know that I am not alone in representing a constituency where disabled people with bus passes still have to use taxis because, despite the apparent provision of transport for them, they cannot use the buses.

I would also like to address my remarks to business. I believe—no one has yet denied it, although I confess that I have not done rock-solid

research—that my constituency is the only mainland constituency without any railways. Business in my constituency is utterly dependent on the roads. There are several businesses in my constituency that are genuinely and actively considering relocating to Aberdeen. The north-east would not lose out because of such a move, but the area north of Aberdeen certainly would. They are considering the move because it takes them an extra hour to get to their markets and that puts an extra £100 on the cost of taking a load south.

The NESTRANS studies have been excellent and we can support their recommendations, but what we actually need is money and action now.

17:27

Alex Johnstone (North-East Scotland) (Con):

I should like to take the opportunity to express my praise for NESTRANS and the efforts that it has put in so far in developing its policies and the proposals that it is now trying to find funding for. NESTRANS is an example to many other areas of Scotland of how Executive organisations, councils and representative bodies can work together and come to a conclusion on what is necessary to develop a transport strategy for an area. However, Aberdeen and Aberdeenshire have certain elements that are not duplicated elsewhere in Scotland.

It was interesting to note that anybody could produce a motion on transport in the north-east without mentioning the western peripheral road. I was delighted that Elaine Thomson developed her motion slightly in her speech and went on to discuss that. As Stewart Stevenson said, the western peripheral road is about a lot more than simply developing transport in and out of Aberdeen. It is about clearing the roads in and out of Aberdeen by taking away the traffic that did not want to come into Aberdeen in the first place. However, it is also about more than that. It is about providing fair access to UK and European markets to a range of primary industries and modern manufacturing industries in the area north of Aberdeen, which do not at present have fair access to the marketplace in the south.

It is possible to drive from the Bridge of Dee southward and access the motorway system through the dual carriageways that were so kindly constructed by the Conservatives during 18 years of Tory government. However, from that point north, lorries are diverted through a tortuous route of junctions, traffic lights and many other obstacles, which adds enormously to the cost of transporting raw materials in and goods out.

Brian Adam (North-East Scotland) (SNP):

Does Alex Johnstone recognise that it was the

Conservatives who designated North Anderson Drive—the very route that he has just described—as a trunk route?

Alex Johnstone: I apologise for introducing a political element. I knew that somebody would get me for it. We must realise that there is a desperate need to deal with that problem. Although a balanced programme has been proposed—and the Conservatives will support the fight to find funding for that programme—the western peripheral road remains the key, but not only for transport reasons.

We have spent much of the day discussing priorities in respect of developing industry in Aberdeen. If Aberdeen is to continue to develop, it requires access to new development land. Through development of the western peripheral road, Aberdeen will be able to consider its new priorities in respect of allocating land for that purpose.

The Deputy Presiding Officer: The member has a minute left.

Alex Johnstone: With your indulgence, Presiding Officer, I will close by saying that the western peripheral road will always be industry's priority in the north-east. The routes in and out of Aberdeen may be equally important to those who work in Aberdeen, but industry throughout Aberdeenshire requires that road.

17:30

Nora Radcliffe (Gordon) (LD): I, too, support Elaine Thomson's motion, which commends the work of NESTRANS. The modern transport system is an exemplar of good practice. There are balanced proposals for road, rail and public transport provision and there is consideration of the needs of cyclists and pedestrians, which we should not forget. There is also good practice in how proposals have been developed through Aberdeen and Aberdeenshire councils working together, with Scottish Enterprise Grampian, with the business community and with the chambers of commerce.

I am about to entrust myself to the north-east's transport system, as I must be in Fochabers for 7 pm. I must get through the congestion in Aberdeen and proceed up the A96, which is dualled only as far as Inverurie. Eventually, we hope that the road will be dualled from Aberdeen to Inverness. I apologise for not saying more, but I am sure that I can rely on my north-east colleagues to advance cogent and compelling arguments. I commend the work of NESTRANS to the minister and hope for a positive response and real money shortly.

The Deputy Presiding Officer: Keeping the contribution brief was helpful.

17:31

Brian Adam (North-East Scotland) (SNP): We arrived in the city on Monday night and received a wonderful reception from Aberdeen City Council, the Aberdeen Harbour Board and the other sponsors. We were given a little booklet in the Doric that told us how to deal with people in the area. An interesting part of the booklet tackled how to deal with "fit"s, "fan"s and "far"s. For example, "Far's the bypast?" or "Fit's the Executive gaan tae dee about it?" or "Fan's the Executive gaan tae come up wi the money fur oor bypast?"

The Executive has come up with money for everybody else's bypasses and it is high time that we did more than simply discuss self-congratulatory motions on how wonderful a strategy document is. At this stage, we have absolutely no commitment from the Executive to build the western peripheral route or deliver the crossrail. Some other public transport alternatives have been put in place, but we need both those significant elements to complete a transport strategy.

It is all very well to commit several hundred thousand pounds to a consultation exercise or an investigation, which has happened over many years. I believe that close to £12 million has been spent on investigating what we will do about Aberdeen's traffic problems. Proposals may well have appeared in the latest Government document as one of 10 priorities, but whereas there have been commitments to act in other areas, there is only a commitment to consider the issue here. We have faced that situation for far too long.

I received an e-mail from a constituent who lives in the Bridge of Don—I do not know whether other members from the north-east received it. She issued a challenge to the leader of the local council.

"Last week, the Council Labour Group rejected a bid for Grandholm Bridge to open for another six months, despite the fact that not a single house has yet been built on the site of the old Grandholm Mills.

If you believe that the measures you have introduced will be sufficient to reduce the traffic chaos in the North of the city, I challenge you to lock the gates to the Granholm Bridge this coming week on the dates when the Scottish Parliament will be sitting in Aberdeen, and in particular on Tuesday 28th May."

I note that that was not done.

The e-mail continues in similar vein. The challenge shows the feelings in the area. People feel that the Labour party is ignoring the problem and that Labour members are burying their heads in the sand and making no commitment. They are kicking the issue into the long grass until after the election.

I promise the chamber that this will be an election issue in this area and that I will hound the Labour and Liberal Democrat members for failing to deliver on this matter for the north-east of Scotland. This is not a regional problem; it is a national problem. Unless we sort out the transport difficulties in the north-east, they will have a significant impact on the national economic well-being of our country. We must address the problem.

I look forward to the plans for the northern leg of the western peripheral route being put in place, but I issue two challenges. One is that we ought to fund that project principally through planning gain. If we get the northern leg in place fairly quickly, the required development of commercial and industrial land at Murcar can take place, because people will go north out of the city and not come into the city centre. The same principle applies to housing development. I also challenge the people of the north-east to use their contacts in national organisations to lobby the Executive.

Up until now, the Executive has given us warm words. We need to persuade the people of Scotland that it is in the interest of the whole of Scotland that we have the western peripheral route, the crossrail and all the other elements of NESTRANS, not only the parts that relate to public transport.

17:36

Bristow Muldoon (Livingston) (Lab): I suspect that I will probably be the only member—constituency member or list member—to speak in the debate who does not have a local interest in the issue.

I want to speak because the issue is very serious and deserves the attention of the Scottish Parliament and the Scottish Executive. I commend Elaine Thomson for bringing the matter to the Parliament's agenda while we are in Aberdeen. One of the strengths of the Scottish Parliament is that it brings government closer to the people. What better way of doing that is there than bringing the transport and economic interests of Aberdeen to the fore when we are in the city? I congratulate Elaine Thomson on doing that.

I also congratulate Councillor Len Ironside, the leader of Aberdeen City Council who, as Stewart Stevenson said, clearly put across at the dinner last night the case of the city council and the broader partnership that it has formed with Aberdeenshire Council and many other organisations in the north-east to promote the transport infrastructure needs of the area. Councillor Ironside has been a strong advocate on behalf of his city and his region. I think that the campaign that he and others are engaged in will

prove successful in bringing about improvements to the transport infrastructure in the area and in securing additional funding to assist the area in making improvements.

The Transport and the Environment Committee has considered the NESTRANS proposals on several occasions. We first did so when we held a meeting in Aberdeen and took evidence from a number of people involved in the partnership. We have also taken evidence since then from the Deputy Minister for Enterprise, Transport and Lifelong Learning, following the publication of the transport delivery report. The conclusion to which the committee has come, on which we are in the process of corresponding with both the minister and NESTRANS, is to give broad support for the proposals that NESTRANS has developed. In our response to the Executive, we will encourage it to bring forward, in its development of the transport delivery report, a robust appraisal of each project. As Elaine Thomson said, the Executive should introduce ranking of the projects and set out time frames. During the next spending review in which the Executive is engaged, it should consider the resources that can be made available from Executive sources to support the investment programme.

I am confident that the work that has been done will not be wasted. Aberdeen is vital to the Scottish economy, as are our other major cities. That is recognised in the transport delivery report. I am confident that the Scottish Executive, working in partnership with NESTRANS, will deliver for the area.

17:39

Mr David Davidson (North-East Scotland) (Con): This is not the first members' business debate on this matter: Brian Adam has had a debate on it, and so have I. I am delighted that Elaine Thomson now appears to have joined us in looking to get some progress on the project.

In the debate that I secured, Sarah Boyack offered money to get the preliminary research work done. That is nearly coming to an end. What was the point of that work and investment if the Executive had no ambition and no commitment to putting the proposals firmly in place in the pecking order?

In my members' business debate on the subject, I mentioned the improvement that is required on the roads to Banff and Buchan. Those roads have a tremendous effect on the Peterhead economy. There are problems along the Buchan coast; the relocation of businesses, which will take jobs out of the area, is now a serious issue. There are also problems on the A96 and within Aberdeen from increased pollution and congestion. Some

members went with me to Robert Gordon University today. It took about three times as long as normal, even though we used the main trunk road through the city.

NESTRANS has done a wonderful job by pulling together and by displaying a unity of purpose in all the agencies and communities involved. As Stewart Stevenson said, we must be inclusive and consider the small issues, such as loading ramps on buses and community transport, but the primary need is to sort out the principal investment requirements of the transport infrastructure, which helps to drive the economy. A lot of land could be released and developers want to be involved.

I want someone to explain why the north-east is the only major economic area in Scotland that does not receive support from the public purse for transport infrastructure such as the bypass the routes to the north and the crossrail, which will help people get to work. I would prefer the crossrail to go as far south as Laurencekirk.

A park-and-ride facility at Laurencekirk would substantially benefit those who have to commute from a distance and reduce pressures on the city. Park and ride has not worked: when one of my colleagues passed the Kingswells park-and-ride facility this morning, there were hardly any cars there; the facility at Ellon is not well used and the proposed facility at Mintlaw is a waste of investment. We must focus on the priorities. If the roads are sorted out, the economy will get going, which will provide money for the public purse. The holder of the public purse must recognise that investment is needed.

We want a commitment from the minister—not a statement that something will perhaps be done sometime after a review—that the Executive wants to deliver the western peripheral route, the crossrail and the measures that will radiate from them. If, as it seems from the announcements in today's debate on the oil and gas industry, the economy is to be hit by taxation on the oil and gas sector, it is vital that the area receives something to generate the new opportunities and diversity it needs.

Members are united. I congratulate Elaine Thomson on coming out of the closet, which gives cross-party commitment on the issue. All we need now is for the minister to agree with the cross-party support for the motion, which is on behalf of the region.

17:43

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): The minister will by now be aware that there is full cross-party support for the NESTRANS proposals. Aberdeen is Scotland's third city, but it has no bypass and no integrated

transport system. I want a good and effective commuter crossrail link between Inverurie in the north and Stonehaven, which is the harbour centre for commuters in the Mearns, to allow people to get in and out of Aberdeen in reasonable time and without hassle. I am delighted that David Davidson has joined the campaign to reopen Laurencekirk railway station, which is in my constituency of West Aberdeenshire and Kincardine. Laurencekirk is a developing town in the Mearns, just south of Stonehaven. The allocation of money for the reopening of the station would be effective. I have asked NESTRANS to address the issue of reopening the station.

Unlike David Davidson, I passed the Kingswells park-and-ride facility at 10 minutes past 8 this morning. I confirm that two of the three big car parks were completely empty, except for one car. We must get real. I do not want to belittle park-and-ride schemes, but they are not the answer to the north-east's transport problems.

Brian Adam: Does the member agree that, although park-and-ride facilities are used, they are not used fully at peak times and that many people who use the facilities are simply doing their shopping?

Mr Rumbles: That is the point that I am making. We need a new bridge over the Don—that is clear. I am amazed at the number of times that the issue has been ducked. We need that bridge. Brian Adam, who is a resident of Bridge of Don, will be aware of the problems. We also need a bypass and an effective crossrail link between Inverurie and Stonehaven.

I applauded Brian Adam's speech. The only thing that I did not agree with was what he said about hounding Liberal Democrat members who represent the north-east if the developments are not delivered. I assure Brian that I will join him in hounding the person who is responsible for the delivery of the developments—Lewis Macdonald, who is with us today. May 2003 is 11 months away, and it would be inappropriate for him to announce the funding just before the elections. I am sure that Lewis Macdonald would not do that; in fact, there are civil service rules that prevent that. Therefore, a decision must be made to announce the investment of £247 million in the not-too-distant future. If that announcement is not made in the not-too-distant future, it will be delayed until after May 2003, and members who represent the north-east would not find that acceptable.

Ben Wallace (North-East Scotland) (Con): Given the importance of the western peripheral route to Aberdeen, and given Mr Rumbles's constant support for it and recognition of the need for it, when—I should say if—the Executive is renegotiating its future coalition, will he make

building the route a condition of his support for that coalition?

Mr Rumbles: As I was saying, I expect the announcement to be made sooner rather than later, so that we will not have to wait until after May 2003 for it.

I agree with what other members have said. We want action—it might not be “action this day”, as Winston Churchill used to say, but action fairly soon—and £247 million, please.

17:47

Richard Lochhead (North-East Scotland) (SNP): Mike Rumbles said that he passed a park-and-ride car park that was empty. He should have got out of his car and used the bus to get into town—that is why it was empty.

Although I welcome this debate, I do not think that Elaine Thomson is in touch with her constituents. No one can write a motion about transport matters in the north-east of Scotland and not mention the western peripheral route or the Aberdeen bypass. I do not know whether that was an oversight or whether Elaine Thomson is utterly embarrassed. She knows fine well that the Labour party's credibility in the north-east of Scotland on transport matters is in tatters. It is three years since my SNP colleague Brian Adam raised the matter in a members' business debate and virtually nothing has changed since then. At this rate, it will be decades before we get a western peripheral route, if we ever get one at all.

Elaine Thomson: Will the member give way?

Richard Lochhead: I will give way and perhaps Elaine Thomson will give way to me next time.

Elaine Thomson: Will Richard Lochhead acknowledge that the fact that, next week, we will see the concrete plans for the northern third of the western peripheral route and the fact that, next spring, we will have the best information that we have had for building up the strategic case for the western peripheral route, not to mention the other things that we are seeing, signal real and concrete progress?

Richard Lochhead: Elaine Thomson knows fine well that we still have no commitment for a bypass for Aberdeen. That is a gross injustice. Aberdeen is almost the only city in the UK that does not have a bypass, yet it is the centre of the oil and gas industry. Over the past 25 years, £170 billion has gone from this region's natural offshore resources to the London Treasury. That £170 billion is just the revenue from oil and gas and does not include income tax, VAT and revenue from the other industries that generate wealth for the Treasury. All that we want for a western peripheral route is £247 million, spread over 15 or 16 years. We are

asking for £247 million after the Treasury has taken £170 billion in oil and gas revenues. Yet here we are, still campaigning and tearing our hair out just to get a bypass like those we see in every other city in the United Kingdom.

It is not just a bypass that we are lacking in the north-east of Scotland. We lack general transport funding. I received an interesting parliamentary answer a couple of days ago. About four weeks ago, on 26 April, I received an answer from the Government saying not only that we are near the bottom of the transport funding league, out of all Scotland's regions, but that we are at the bottom of the league by far and that the second-bottom of the league is miles above the north-east.

When I raised that matter with the Executive, the response I got was, “Well, look at that answer if you want, but it does not take into account extra spending commitments since November 2001.” I tabled another parliamentary question asking for a recalculation that included all spending commitments in transport in north-east Scotland from November 2001 to the present. Guess what? The situation is even worse. We have gone down from 58 per cent of the national average to 57 per cent. Things are getting worse, not better. North-east Scotland is getting an even less fair share of transport resources.

The minister and, indeed, the First Minister—who has, unfortunately, left the chamber—should read *The Press and Journal* supplement “A New Dawn”, which I highly commend. All the supplement's articles refer to transport and infrastructure and the need for their development in the north-east. The Government's job is to intervene where appropriate. In some regions of Scotland, that might be done for the skills base or for restructuring. The north-east needs Government interventions in transport and infrastructure—that is the number one priority. The Government will lose all its seats in this neck of the woods unless it starts to stand up for an area of the country that happens to generate just about more wealth than any other part of the UK for the Government's coffers.

The minister must give a commitment that he supports a bypass and other necessary transport improvements for the north-east. That is the only way in which we will get a new dawn and turn the vision outlined in the supplement “A New Dawn” into a reality.

The Deputy Presiding Officer: I call Ben Wallace for a quick, two-minute contribution.

17:51

Ben Wallace (North-East Scotland) (Con): I will not go on about the western peripheral route. Members are aware of the cross-party

commitments on that. I want briefly to expand on the important role that Laurencekirk station could play in future transport links. People often talk about the crossrail route finishing at Stonehaven. Anyone who goes canvassing or visiting in Laurencekirk will see that it is a massively expanded region of Kincardine. In fact, it is perhaps the bottom of the north-east. Nearly every steading is now converted and more people are moving south from Aberdeen or even Stonehaven, as it expands. They would like to use a station such as Laurencekirk to commute to Aberdeen or Dundee.

If Stracathro hospital is saved and there is increased use of that hospital, people will not need to be referred elsewhere or have to drive all over to get to Stracathro. They could just get on a train from Dundee—where there are more diagnostics—or Montrose to travel up to Stracathro. They would not be contributing to more traffic pollution and congestion. That is important.

As part of the campaign for the reopening of Laurencekirk station, I took one of the community leaders from Laurencekirk to meet ScotRail, which gave us a commitment that it would be able, within its timetabling, to stop a train at least twice a day at Laurencekirk. Railtrack gave me a similar commitment; it said that, given the money—of course, it would say that—it would find Laurencekirk station feasible. Laurencekirk has a disused platform; it has not been demolished, so it is not as if there never was a station. It would be feasible and simple to reopen the station. The cost of doing so has been estimated at between £100,000 and £250,000. There is a considerable gap between those figures. However, compared with the amount of money that the north-east generates, as Richard Lochhead said, and the £247 million that he said it would cost to build a bypass, even £250,000 to recondition a platform is not much. However, I am not naive enough to think that that would be the only cost.

Given the statements of ScotRail and Railtrack and the fact that the local authority agreed to include Laurencekirk in its transport strategy—I caution that we now find Laurencekirk dropping off from those initial commitments—I ask that we do not forget Laurencekirk. It can be developed as a useful future link to Aberdeen and perhaps the county of Angus. We must not overlook Laurencekirk and must keep up the pressure on that issue. I ask the minister to bear that in mind as one of his priorities.

17:54

The Deputy Minister for Enterprise, Transport and Lifelong Learning (Lewis Macdonald): I am delighted to have the opportunity to respond to the debate. The motion is a positive one and there has

generally been positive debate about matters in which there is common interest across the parties.

I am, of course, delighted to contribute to the debate in Aberdeen. As we heard during an earlier debate, much has been achieved by the four partner organisations in NESTRANS—highlighted in Elaine Thomson's motion—which are Aberdeen City Council, Aberdeenshire Council, the Aberdeen and Grampian Chamber of Commerce and Scottish Enterprise Grampian. Those groups have worked together, initially through the north-east Scotland economic development partnership and now through NESTRANS, to focus on transport as a key priority in enhancing the economic competitiveness of north-east Scotland.

The achievements for which NESTRANS can take credit include: the development of a coherent and integrated regional transport strategy, called the modern transport system; the obtaining of substantial community support for the strategy, and national recognition of the transport needs of the north-east as signalled in the transport delivery report a few months ago; the establishment of a significant and unique public-private sector transport partnership, which one or two members have suggested other parts of Scotland could usefully follow; and the support of the Scottish Executive for the delivery on the ground of significant elements of the strategy. I want to focus on the first of those achievements, which is the development of an integrated transport strategy.

It is impossible to overstate the need for integrated transport strategies. Significant benefits to travellers, in terms of reduced and more reliable journey times, will accrue only through the combination of individual projects across all modes of transport. We do not believe that there is a crude choice to be made in Aberdeen or anywhere else between being pro-road and being anti-road. We recognise that a solely roads based or a solely public-transport based solution will not deliver long-term sustainable solutions. The trunk road network, for which Scottish ministers are responsible, is an important part of an integrated transport strategy for the north-east and the rest of Scotland. We have made, and will continue to make, significant investment in the trunk road network.

Brian Adam: Will the minister give a commitment tonight that the proposed western peripheral route will be the trunk road?

The Deputy Presiding Officer: He promised to hound you, minister.

Lewis Macdonald: He did, and I am sure that he will continue to do so. I will cover his important point during my speech.

In the light of some of the comments that have been made, it is important to note the money that

has been invested since 1999. We have invested almost £70 million in a series of important schemes on the A90 and the A96. We have invested more than £28 million north and west of Aberdeen on initiatives such as junction improvements and climbing lanes. We are committed to delivering a bypass for Fochabers. We have invested almost £18 million between Aberdeen and Dundee on initiatives such as proposed new junctions on the A90. We have invested nearly £24 million on the A90 between Dundee and Perth, which serves travellers from the north-east. Those improvements are important in their effects on safety, journey times and journey-time reliability, with obvious benefits for business and leisure travellers. That is why I was pleased to inform Parliament earlier today of my intention to progress two of the priority trunk road projects in or near Aberdeen that are contained within the proposed modern transport system.

The Executive will undertake a multi-modal Scottish transport appraisal guidance assessment—STAG—of the Balmedie to Tippetry stretch of the A90, which is a significant part of the trunk road network north of the city. That study will explore the change in traffic levels since original proposals were made some years ago, and the impact of park-and-ride sites and other measures in the north of the city. The appraisal will be conducted using the Aberdeen sub-area transport model, which we have developed for application to the western peripheral route, and will report in the course of this year.

In partnership with NESTRANS, we will undertake a feasibility study on the provision of stacking lanes on the A90 at Bridge of Don, along the parkway between Scotstown Road and Ellon Road. As well as having obvious safety benefits through assisting vehicles to make right turns, that will mitigate some of the problems of congestion in the area. We expect the study to be completed quickly and are committed to acting on the recommendations of the study.

Mr Davidson: The minister is talking about what is essentially a single carriageway. Can he put an end to the speculation that the top part of the bypass will not be two lanes, but proper dual carriageway?

Lewis Macdonald: When the routes are published, which I expect to happen in the next few days, I expect that they will be based on dual-carriageway solutions, because that has been the focus of the studies that have been conducted.

We have extended an invitation to NESTRANS officials to meet us to discuss the remaining trunk road priorities for the A90 and A96 corridors. I note that one or two priorities were identified by members. That follows on from our continuing commitment to support NESTRANS in developing

its strategy. That commitment was reinforced in March with the provision of a further £585,000 in match funding for development of the route and detailed studies on the western peripheral route. That built on previous commitments.

The modern transport strategy considers the western peripheral route and transmodal or modal shift opportunities. We acknowledge the strong case that can be made for the western peripheral route. That is why we have developed an Aberdeen sub-area model for traffic assessment. NESTRANS will use that model and STAG to assess that case and to assess traffic flows in the coming months.

Members suggested that such studies are nothing more than studies. In fact, each study that we have undertaken has been a necessary step in the progress of the project. On the basis of assessment of the traffic in and around Aberdeen, we will be able to sit down with NESTRANS and the local partners and discuss the way in which the Executive and the local partners will work to advance the proposals for the western peripheral route. Only once that work is complete will ministers be in a position to take decisions.

Ben Wallace: Will the minister give way?

Lewis Macdonald: I am sorry; I need to press on.

I have a word of caution, which reflects some of the content of the motion. The construction of the western peripheral route cannot, on its own, be the panacea for all traffic and transport problems in the north-east. Car ownership continues to grow. Road traffic is predicted to grow by 27 per cent nationally over the next 20 years and by 33 per cent in the north-east. Unless we do something to curb that road traffic growth, any new road that we create—no matter how good, no matter how effective—will soon become heavily congested in the way that the M25 around London has.

Building ever-wider roads with more lanes does not of itself solve traffic congestion—particularly not in an area of strong economic growth, such as the north-east of Scotland. That is why NESTRANS's approach—developing park-and-ride sites, improving public transport, creating bus priority measures and promoting walking and cycling—is the right approach. We acknowledge that public transport options would be available to almost half those who travel to work by car but that, for them to take up those options, public transport must be made attractive, effective in delivering decent journey times and reliable.

That is why we regard the Kingswells park-and-ride scheme, which has been mentioned, as a success. Its usage growth rate exceeds the rate that has been achieved at the Bridge of Don park-and-ride site in a similar time. The Bridge of Don

facility now removes 2,500 cars a week from Aberdeen's roads. That is a significant step forward. I believe that the Kingswells park and ride will follow that pattern.

It is interesting to read some of the comments from local residents. They have moved from great scepticism at the outset to increasing enthusiasm in recent weeks. Such facilities are not optional extras: they are what we require to achieve the modal shift that we need. Such development must go along with the expenditure on strategic roads that we have discussed.

The Aberdeen crossrail has been raised. We continue to seek progress on that project. At this stage, it is premature to give precise dates, but we have already invested a significant sum—nearly £0.5 million—in making progress. We hope to achieve level 4 costs for that scheme in the autumn. The key points of contact for members who have an interest in Laurencekirk and who talk about including it in the Aberdeen crossrail are NESTRANS and Aberdeenshire Council, which are the lead sponsors of the scheme and with which members will want to work.

A number of other points were made. Brian Adam asked the important question of whether the Executive would undertake to trunk a western peripheral route. It is important to recall that the bypasses and equivalent roads in Scotland's other three cities—Glasgow, Edinburgh and Dundee—were built by local authorities and later adopted as trunk routes. There are a number of ways in which issues can be addressed.

We are keen to address the range of transport issues in the area. Stewart Stevenson mentioned accessible transport in the rural north-east. He will be aware of the significant expenditure on dial-a-bus in Buchan, of this week's launch of a similar scheme in Buckie in Moray and of the accessible community transport minibus that operates in Ellon, which supplement the scheduled bus services in those areas.

We recognise that we can no longer ignore the consequences of unrestrained traffic growth for the economy, the environment and the health of people living in urban and suburban areas. We also recognise that in areas such as north-east Scotland, the solutions to the problem are several and include road and non-road solutions and responses.

We have responded and have invested substantial sums in public transport and in trunk road improvements in the north-east. In the publication of the transport delivery report in March, we recognised the fixing of Aberdeen's congestion problems as one of our top priorities for the coming decade and beyond.

We are determined to go forward. Excellent

progress has been made in the north-east because of the partnership approach that has been taken with NESTRANS at its centre. Ministers look forward to continuing to work with that partnership in delivering the many other improvements that are necessary if we are to tackle and resolve the problems that we face.

The Deputy Presiding Officer: That concludes today's business. I remind members that the University of Aberdeen is currently hosting its "New Horizons" event in Elphinstone hall.

Meeting closed at 18:06.

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