

MEETING OF THE PARLIAMENT

Wednesday 26 March 2003
(*Morning*)

Session 1

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Scottish Parliament

Wednesday 26 March 2003

(Morning)

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

Time for Reflection

The Presiding Officer (Sir David Steel): This is the last time for reflection of this parliamentary session. Members will agree that time for reflection has been one of our many successful innovations. Indeed, some texts have been quoted in proceedings and in the press or have been broadcast. You might like to know that a book of the collected time for reflection texts will probably be published during dissolution.

Members are always invited to suggest people to lead time for reflection, and many have put forward their own parish priests or ministers. On this final occasion, I thought that I would take that privilege and invite my own parish minister, the Rev Samuel Široký, minister in the parish of Ettrick and Yarrow. He is from the Czech Republic, and was only inducted into the parish and ordained by the Church of Scotland a few weeks ago.

Rev Samuel Široký (Minister of Ettrick and Yarrow Parish): The Greek philosopher Democritus said something like: "A life without celebrations is like a long road without pubs." The Christian tradition offers the people of today—people who are forced to work long hours, people who have problems, tired people, people like you and me, a unique gift: the time of celebration at Easter.

When I recently asked in one of my schools why we have Easter, one boy replied, "We have Easter because chocolate was invented on that day." I think that the failure of today's society to enjoy the true meaning of the Easter celebration partly explains the moral struggle that many people go through and says a lot about the church's inability to communicate the good news. We have all experienced to some extent the first part of Easter—the cross—of which the war is the clearest example. However, what is often missing in our lives is the second part of Easter—the resurrection—which represents the joy of seeing new hope where there was none and of looking on every day as a chance for something incredible, unbelievable and joyful to happen.

Three friends die in a car crash and go to an orientation meeting in heaven. During the meeting, they are asked, "When you are in your coffin and

your friends and family are mourning you, what would you like to hear them say about you?"

The first man says, "I would like to hear them say that I was a great doctor of my time and a great family man."

The second says, "I would like to hear that I was a wonderful husband and schoolteacher who made a huge difference to the children of tomorrow."

The last replies, "I would like to hear them say, 'Look! He's moving!'"

Just as the replies of the first two friends were irrelevant, for too many of us Easter is a nice celebration, but is not really relevant. Although it would be nice to hear good things said about you, it would not matter much when you were dead. The true meaning of Easter is much more clearly expressed in the reply of the third friend: "Look! He's moving!" Such a reaction would be helpful and relevant in his situation.

Easter is about believing that everything that is broken and dead—whether people or things, individuals or whole nations—can be renewed and renewed now. Through Jesus's first resurrection, the whole stream of resurrections comes into our world and we can all serve to help to make them happen.

Easter offers a precious gift to us all; it offers a real and relevant joy that things not yet dreamed of can and will happen—and that includes the completion of the new Parliament building. Furthermore, it offers us the joy that the often gloomy reality of everyday life will be overruled by a much bigger and better reality.

I wish you all a very good break.

Scottish Economy

The Presiding Officer (Sir David Steel): Our main item of business today is a debate on motion S1M-4057, in the name of Iain Gray, on the Scottish economy.

09:35

The Minister for Enterprise, Transport and Lifelong Learning (Iain Gray): It is right that one of the last debates in this session of the Parliament allows us to focus on the Scottish economy, which is the issue that underpins all others. We have made it clear that devising, implementing and sticking to a strategy for improved economic growth is at the centre of the Executive's priorities. Without a prosperous economy that creates wealth, we cannot do the other things that we want, which are to create first-class public services, and a more socially just Scotland.

The context of the debate is the devolution settlement, which allows the Parliament and the Executive to focus on policies that will enable the Scottish economy to maximise its potential and achieve sustainable growth in the medium to long term. In the debate we must, therefore, acknowledge the stable macroeconomic environment from which the Scottish economy benefits and which is a consequence of the United Kingdom Government's sound handling of the UK economy.

That approach has delivered the longest-ever period of sustained low inflation and historically low levels of interest rates—they are less than half the levels of the 1980s and early 1990s. Best of all—I make no apology for saying this—the UK measures to tackle unemployment, along with our training and enterprise policies, have delivered a 25 per cent reduction in claimant-count unemployment since May 1999.

Phil Gallie (South of Scotland) (Con): Does the minister believe that Scotland's economy will benefit from the block grant, given the current balance of trade deficit, which was induced by the national Government and which now stands at £35 billion? Does he believe that the economy will benefit from record levels of taxation? What will happen to the block grant in the immediate future?

Iain Gray: When we want to look forward, we must look back and judge the handling of the economy on the record of the current UK Government. We all know about the record of the Tories in government, when unemployment stood at 3 million.

Not only is the rate of unemployment historically low, but the employment rate is as high or higher

than the rate anywhere else in Europe. Youth unemployment has fallen by 54 per cent since May 1999, while the number of unemployed older people has fallen by 32 per cent in the same period.

From a global perspective, Scotland has a small and open economy. In 2001, the growth in gross domestic product slowed simultaneously in the United States, Europe and Asia—the first time such a slow-down has happened in the three major global economies for almost 30 years. That situation has inevitably impacted on businesses in Scotland and, as a result—as we have made clear repeatedly—our GDP growth figures are not good enough. Of course, current events continue to cast a shadow of uncertainty across the global economy. That is why it remains absolutely essential that we continue to lay the foundations for our future prosperity. Stability in interest rates, inflation and the labour market and sound public finance through adherence to clearly defined fiscal rules give us the opportunity to invest in physical, human and knowledge capital.

"A Smart, Successful Scotland: Ambitions for the Enterprise Networks" sets out the Executive's vision of a more productive, competitive and prosperous Scotland. That vision, which is being implemented by Scottish Enterprise and Highlands and Islands Enterprise, is exactly about investing in physical, human and knowledge capital. Proof-of-concept funding, which is unique in the UK, small firms merit awards for research and technology—the SMART scheme—support for products under research, or SPUR, and SPUR plus are all investments in the commercialisation of Scotland's excellent academic research. The Scottish co-investment fund and the business growth fund form a £40 million package that is intended to help Scottish companies grow. Regional selective assistance has been refocused to provide better support for Scottish companies and smaller companies and to provide investment in knowledge capital as well as physical capital. There is a new research and development support grant scheme.

We have also made the most far-sighted investment of all: £450 million over a 10-year period in three intermediary technology institutes to commission and commercialise market-driven research. That investment is a bold long-term initiative to address the unacceptably low level of research and development in Scotland's private sector.

It is the investment in our people and their skills, however, which must be the greatest driver for economic growth in the years ahead. Carly Fiorina, the chief executive officer of Hewlett Packard, once said:

"Keep your tax incentives and highway interchanges; we will go where the highly skilled people are."

Our obligation is to ensure that the highly skilled people are right here in Scotland.

That is why we have delivered 50 per cent participation rates in higher education; the highest graduation rates in Europe; over 20,000 new apprenticeships; 500,000 students in our further education colleges; and a network of trade union learning representatives throughout our industries.

It is also why we will further increase the apprenticeship programme to 30,000; reintroduce individual learning accounts; and roll out educational maintenance allowances throughout Scotland so that no young Scot has to leave school or college in order to boost the family income.

When we issued "A Smart, Successful Scotland" in 2001, we also established a new joint performance team to measure progress. The joint performance team's second report is published this morning. We continue to do very well in relation to exports, e-business and the core reading and mathematical skills of our schoolchildren. We do not do so well in relation to GDP, productivity, business investment in research and development, entrepreneurial activity and new business formation. We will address the areas in which we do less well and seriously address the last two.

We need a cultural shift in Scotland—a shift towards entrepreneurship. If someone wants to change the culture, they start with the young.

Miss Annabel Goldie (West of Scotland) (Con): Will the change in culture extend to political thinking? Does the minister recognise that bureaucrats do not deliver business start-ups and that the business sector is best left to do that itself?

Iain Gray: Of course the change in culture has to extend to politics. That is why, as I am about to say in a moment, we have made a political decision to invest unprecedented sums in a shift towards entrepreneurship. I agree that we have to streamline the support that is provided for growing businesses. I have spoken about how we have reduced the regional selective assistance bureaucracy in respect of grants of less than £50,000 to allow businesses to get a quick answer on their application. If Miss Goldie is referring to what I think she is referring, I will address her question later in my remarks.

Over the next three years, we will invest over £40 million to provide every young person in Scotland in every school in Scotland with education for work and enterprise at every stage from primary 1 to secondary 6. That is an effort

that is simply unparalleled in the creation of a more aspirational, enterprising nation. We are not aware of any country in the world that can beat that investment. It is a sign of a cultural shift in politics—one that is required.

In addition to enhancing our smart, successful Scotland strategy with further investment in people, last year's Scottish budget allocated unprecedented sums to transport over the next three years. In the years to 2006, spending will rise by more than 50 per cent with almost £1 billion per year being spent on transport at the end of that period. We have also put in place financial planning procedures that will allow us to commit to a transformation of Scotland's infrastructure.

Our investment in transport will see the completion of the M74, the M8 and the M80, and the extension of the M77; rail links between Airdrie and Bathgate, Larkhall and Milngavie, and Stirling and Alloa; £375 million for Edinburgh's transport system to bring trams back to the city; rail links to both Glasgow and Edinburgh airports; a new crossing over the Forth to open up central Scotland; and a route development fund that has already supported four new direct air routes to Scotland.

However, infrastructure is not just about transport. We are also investing more than £200 million in improving access to broadband, which has been added to, in recent months, by £24 million to bring ADSL-standard access to 70 per cent of Scotland's people by this time next year.

Alex Neil (Central Scotland) (SNP): Can the minister update members on the current state of the accessing telecoms links across Scotland project in relation to broadband and tell us whether the European Commission is likely to give it clearance in the light of the legal action that is threatened by Thus?

Iain Gray: As Mr Neil probably knows, the first stage of project ATLAS came online early, and the second stage is still on time. Nevertheless, Scottish Enterprise has publicly made it clear that it has sought from the European Commission a ruling on any state-aid implications. I remain confident that those issues will be resolved and that project ATLAS will allow better broadband access for businesses throughout Scotland.

So all this is a smart, successful Scotland, with the addition of investment in company growth, in research and commercialisation and, above all, in skills; investment in transport and communications infrastructure; and investment in a culture of enterprise and aspiration as well as macroeconomic stability. This is a strategy based on which we are building new industries in biotechnology, photonics, software design and renewable energy.

There is no doubt that that strategy is a necessity across the economy. What is a successful, home-grown financial services company such as Intelligent Finance, if it is not built on innovation, the skills of its work force and investment support for its back-office functions in Rosyth and Livingston? Last November, I met senior executives of the J P Morgan bank to discuss with them their experience of setting up their European technology centre in Glasgow. They explained that they had chosen the site from 18 possibilities on the basis of infrastructural support in the financial services district and the available skills. Earlier this week, the bank announced an expansion of the centre and the creation of 150 highly skilled jobs. When I met State Street Bank, in the United States, to discuss its plans for the Edinburgh-based fund management operation of Deutsche Bank, it was assurances about investment in Edinburgh's public transport system that the bank sought. It has now taken out a long lease on its Edinburgh office and has thereby committed to Scotland.

Dundee has world-renowned biotech companies such as Cyclacel. It also has Michelin Tyres—traditional manufacturing, surely—which is driving up productivity by innovating in the production process, investing heavily in the skills and training of its work force and benefiting from the new, shorter and cheaper link to its markets that is provided by the Rosyth to Zeebrugge ferry. We are investing in innovation, in infrastructure and in people, whether in manufacturing, in the financial services sector or in retail. We are investing in every sector of our economy, old and new.

We will pursue this strategy with determination. It is for the long term, but we will continue to refine it. The Executive's response to the Scottish manufacturing steering group's report was published this morning. When I reconvened the Scottish manufacturing steering group, I set a tight timetable for it to report under Dr Masters's leadership. I undertook to respond to the group before the end of March, and today I did so in a letter to Dr Masters and the other members of the group. We have accepted 21 of the 23 recommendations that were directed at the Scottish Executive. Seven more will be discussed with UK ministers before August.

One initiative that flows from the report will target small businesses by establishing a pilot scheme of at least 300 business learning accounts over the next two years. A number of those will be targeted specifically at the manufacturing sector. Employers who are engaged in the pilot scheme will be reimbursed for 50 per cent of all business growth training.

All the effort and investment in economic growth is driven by the recognition that our growth rate is

not good enough and that there is no quick fix. Our annual growth rate to the third quarter last year was 0.1 per cent, compared with 1.3 per cent for the UK. However, it is instructive to compare the rates when the electronics sector is removed from both figures. Growth for the remaining 94 per cent of Scotland's economy was 2.4 per cent, which outperformed the UK's figure of 2 per cent. Those figures are offered not as spin, but simply as an indication of the importance of electronics to our economy. It would be foolish to deny that factor and we must address it.

The electronics sector is performing poorly worldwide. However, there is evidence in the electronics industry in Scotland of what we need to do. For example, Wolfson Microelectronics was born from world-class research in the University of Edinburgh and now designs and sells from Scotland—production is done overseas—components contained in cutting-edge, must-have products such as the X-Box games console and the iPod MPEG player. That is a clear example of Scottish ideas coming out of the lab, on to the test bench and into global products.

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): Even if one were to accept that taking the electronics sector out of the minister's GDP figures was a valid exercise, how does he explain the fact that for the past 25 years we have lagged behind the UK? Is that also due to the electronics sector?

Iain Gray: The question posed is extremely interesting, because we know that for 25 to 30 years Scotland's GDP growth has lagged behind the UK's. One aspect of considering the figures for 2002 to the third quarter, excluding the electronics sector, is that that consideration identifies a trend: 94 per cent of the Scottish economy turned round in that year. I would have expected a party that says that it stands up for Scotland to welcome that, but I am not surprised that it does not.

Phil Gallie: Does the minister agree that between 1989 and 1996 the Scottish economy grew at a rate that placed it either in the third or fourth position in the UK charts?

Iain Gray: Nonetheless, the fact is that for 25 or 30 years—for a generation—Scotland's growth rate has lagged behind the UK's. However, we also know and understand—I want to come to this immediately—that growth in the 1980s and 1990s was largely fuelled by a kind of foreign direct investment that brought important jobs to Scotland. To a certain extent, however, the jobs were brought to Scotland on the basis of our having a low-wage economy. We are no longer prepared to compete with the rest of the world on that basis. In addition, that kind of foreign investment is simply no longer available to us in the 21st century. Therefore, the methodology of the 1980s and 1990s is not available to us now.

An example of that in our electronics industry is Motorola. That company's assembly plant at Easter Inch has gone and the Scottish Parliament rightly paid much attention to that change. However, the work force has found new jobs and training and started new businesses. Unemployment in West Lothian has gone down rather than up. Moreover, Motorola's huge wafer fab operation in East Kilbride is not only still there, but thriving and expanding. Why? Because it operates further up the production chain and it stays where the highly skilled people are—and they are here in Scotland. For the same reason, Sun Microsystems has just opened a new extension and a new line in Linlithgow.

When I visited Motorola recently, I met a young woman who had completed a modern apprenticeship there, after which she had undertaken a company-sponsored degree in electronic engineering. Now, she works on cutting-edge design and the manufacture of new silicon, which is found in almost every make of car that is produced in Europe today.

A growing company using research and innovation with Scottish knowledge, upskilling staff and moving production up the chain in providing global markets with Scottish products—that is the paradigm that we pursue in the quest for economic growth. At its heart is investment in what will drive that growth sustainably. The nationalist and Tory amendments should be resisted, because they contain the seeds of that strategy's destruction.

The nationalists would cut £120 million to £150 million from the budgets for investing in skills and business growth.

Andrew Wilson (Central Scotland) (SNP): No, we would not.

Iain Gray: An SNP document says that as a first step, the SNP

"will use savings from the reform of the local enterprise network to reduce business rates to a level lower than the rest of the UK."

That would involve £120 million to £150 million coming out of the budgets for skills that support the Executive's strategy.

The nationalists would destabilise our economic stability with an independence referendum and, if they succeeded, they would have to fund a fiscal deficit and the costs of a separate Administration from further cuts and higher taxes. Stability would be gone and investment in our future would be gone, and then the jobs would go, too.

The Tories would go one better. They would cut £250 million from skills and business support. Their amendment says that they would increase spending on transport by £100 million, but our transport budget is set to rise to £1 billion a year,

so the Tories would pay for a 1 per cent increase in the transport budget with a 100 per cent cut in skillseekers, modern apprenticeships and other programmes.

Miss Goldie: Will the minister give way?

Iain Gray: I am finishing.

As we look forward to a new parliamentary session, it is time for the Scottish Parliament to choose investment in Scotland's future, in Scotland's skills, in Scottish ideas, in Scotland's infrastructure and, above all, in Scotland's aspiration.

I move,

That the Parliament endorses the Scottish Executive's policy to increase the sustainable growth of Scotland's economy over the long term as set out in *A Smart, Successful Scotland* and believes that this, along with the investment in Scottish transport infrastructure outlined in *Building Better Transport* and the introduction of education for work and enterprise for every pupil at every stage of school to create a culture of aspiration and entrepreneurship, will deliver increased prosperity, thus providing resources for first-class public services and a more socially just and sustainable Scotland.

09:57

Andrew Wilson (Central Scotland) (SNP): Iain Gray nearly got going at the end of his speech. We almost got into a debate, and then he had to sit down.

My throat is failing me at this early stage in the election campaign, but I would like to say that it has been a privilege to be part of the Parliament's proceedings for the past four years. I contend that, in the next four years, the Parliament must acquire the power and responsibility of independence if we are to achieve all that we can. Many members do not yet agree publicly with that contention, but I ask all in the debate to open their minds and to engage in the debate on the basis of reason, not bluster, and of truth, not smear. As part of our contribution to a better debate, we have set out in our amendment our support for much of what the Government has said and for almost all of Iain Gray's speech. Any change of Government must be accompanied by some continuity, which we offer. We cannot compete on cheap labour and subsidies. We must go up the value chain.

The thrust of the strategy in "A Smart, Successful Scotland" is correct and we will back it, but that approach has not been, is not and will not be enough. Scotland has enormous potential, but we are not achieving it. The evidence is there for all to see. Our population is falling and aging. In the past 30 years, our growth rate has been one of the lowest in Europe. Since Labour came to power, the rate has been the worst in the European Union.

Our unemployment rate, which Iain Gray welcomes, is the highest of the UK countries and 20 per cent higher than the average in small European countries. One in four Strathclyde households has no adult in employment, and a range of regions, from Glasgow to Fife and beyond, has significant employment problems. Since Labour came to power, long-term sickness has risen by 23 per cent and the number of those who are inactive but want work has risen by 31,000—they are off the Government statistics and out of the Government's mind. We must acknowledge those people and not be complacent about the labour market, as the Labour party is.

Despite a commitment in the programme for government—the Liberals had better listen up, because that involves them—to create 100,000 new businesses in 10 years, which means 10,000 a year, the stock of businesses in Scotland is smaller than it was in 1994 and has remained virtually static since Labour came to power. If Labour and the Liberals had met their target and created 40,000 businesses during the parliamentary session, the rates income, to which Iain Gray referred, would be nearly £500 million more.

The point is that if we hit our targets, we achieve growth and create businesses. We get rate income and investment for public services. That is the growth prize to which Scotland has to wake up. That is what we all have to aim for. Labour, it appears, just does not get it, but it is what happens in every other country.

Over the past 12 months, Scotland's economy has shrunk, as the Fraser of Allander institute for research on the Scottish economy confirmed this morning. Indeed, Scotland's economy is now smaller than it was when Jack McConnell took power and sacked so many people. It is not his colleagues who have lost out over that period. Members should think about this: since Jack McConnell became leader of the Labour party and Scotland, the economy has shrunk, but he spends his whole conference in Dundee trying to lecture others about economic risk.

The biggest economic risk that Scotland now faces is to stick with the mediocrity of leadership and poverty of ambition that we have at present. Not only I and the SNP say so; Labour's own strategy note to Iain Gray said that the SNP's economic policy was clearer, stronger and more consistent than Labour's. The minister for interruptions, Wendy Alexander, resigned a year ago, saying that she could not get the First Minister to take the economy seriously, and then wrote to a former nationalist MP saying that the Scottish Labour party had not had an original idea in 100 years. Then it was revealed that more than 100 Labour business backers from 1999 had been

contacted. Thirty had gone bust and were untraceable; 55 refused to support Labour; and one of the key leaders, David Murray—not a known SNP supporter—said that our economic case was logical and pragmatic.

Iain Gray rose—

Andrew Wilson: I will take Iain Gray if he can tell us why a number of those in the advert said that they had not been contacted by Labour and so their support had been made up. The Labour party is making up support, and those that did support it have deserted it. What does Iain Gray have to say about it?

Iain Gray: I have this to say about it: one chooses who to ask to pass judgment on one's success. I choose not a single Labour activist who expressed a view with which I clearly disagreed, nor the 17, I think it was, out of 100 in the figures that Andrew Wilson rather spun; I choose to ask the 138,000 Scots who are in jobs now who were not in jobs in 1997. I choose their judgment on Labour's handling of the economy.

Andrew Wilson: That is terrific. If the minister is complacent and thinks that things are fine, why did his predecessor resign saying that she could not get the economy to be taken seriously?

Ms Wendy Alexander (Paisley North) (Lab): Will Andrew Wilson give way?

Andrew Wilson: No, thanks.

Why have 55 of Labour's business supporters said that they will not support Labour in the election? Why did 30 of them go bust?

Ms Alexander: Will Andrew Wilson give way?

Andrew Wilson: I will not.

The reality is that some of those people have even said that the Labour party did not contact them. It was making up support that did not exist.

Ms Alexander: Will Andrew Wilson give way?

Andrew Wilson: How can we possibly trust a party that has made up supporters and spun the truth when most of those who backed it previously will not back it now? Why should we believe a word that Labour says? [*Interruption.*] I will take all the interventions that come, but I need to complete the answer to the first intervention before I take the next. That is called the tradition of debate. If the resigned minister would like to intervene now, I say to her to come ahead.

Ms Alexander: I challenge Andrew Wilson now because I have heard him repeat his false allegation so often. I challenge him to provide a sourced quotation from anywhere that suggests that the Government and the Executive are not committed to growth. He has regularly repeated

one commentator's hearsay as being my view. He cannot support that allegation. I invite him to withdraw it.

Andrew Wilson: I have to rely for my sources on Alf Young in *The Herald*, who reported Wendy Alexander as having said it. If it is not true, I am sure that she will have written to *The Herald* and asked for a retraction or made a complaint to the Press Complaints Commission. If she has not, she should not wait until four weeks before an election to try to defend herself.

The truth is that we cannot believe a word that the Labour party says on the economy. It made it up in 1999 and it is making it up now. The Labour party feuds internally, with one minister—unnamed and unsourced—attacking Iain Gray and Scottish Enterprise eight weeks from an election. It cannot unite itself and it certainly cannot unite the country behind growth.

We need such unity, because the UK model as it stands does not work. One growth region attracts the business, finance, transport, influence, skilled people, talent and businesses. It has a magnetic pull on the growth of the rest of the United Kingdom. We must overcome that. We must have the powers to compete with and outcompete the other regions.

The system of having one growth region and higher public spending in the rest of the UK reinforces a focus on symptoms, not root causes, and engenders a sense of dependency in Scotland. We must overcome that system. It has not worked in 30 years and it will not work in the next 30 years. We require the power to compete. We require the power to encourage businesses to register their headquarters here—and, we hope, to declare profits here—and so bring their top staff here.

Iain Gray rose—

Andrew Wilson: I need to move on. We have to complement the right-headed strategy that the Executive has set out with the full powers of competition, and we have to be as competitive as every other country in the economic mix. We need to build the confidence of the Scottish business community in the fact that we have what it takes in the collective leadership in Scotland to take on the malaise that exists.

Miss Goldie: If that argument is correct, would Mr Wilson care to comment on the economic growth forecast in "European Business Strategies", which predicts that there will be greater economic growth in Scotland than in the United Kingdom as a whole in 2003? If that is delivered, it rather undermines the argument that greater growth can be achieved only in an independent Scotland.

Andrew Wilson: I am long enough in the economic tooth not to believe economic forecasts, wherever they come from. That forecast is welcome, but I recognise that economic forecasts have not been very accurate in the past year. We can outperform the rest of the UK in one year—that has happened in the past, and I am sure that it will happen again—but I point out to Miss Goldie that, over the long term, and specifically over the 30-year period for which we have figures, Scotland has grossly underperformed in relation to the rest of the UK. That is what concerns me.

Before hearing Iain Gray's speech, I thought that everyone now accepted the fact that we have a problem. Obviously, this close to an election, complacency returns. How can we move forward and make our positive case when we get such a negative, smearing approach from Labour? Having delivered a shrinking economy and the first recession since Mrs Thatcher's time, as well as the lowest level of growth in Europe and the desertion of business leaders from their case, Jack McConnell now bases his attacks on a campaign of smearing and undermining the other parties, rather than looking to his own record. There is a London-funded campaign to smear the SNP. The ideas that we present are logical and pragmatic and are stronger, clearer and more consistent, yet all Labour is interested in is what the brother of the minister for interruptions said was a campaign to engender fear. That is what we will hear from the Labour party in the coming weeks.

If we are to assess the future of the economy, we must look to the real experience of what has happened, is happening and will happen. We have huge potential, but we will not achieve it if we do what we have always done. We have to make a change. If we do not act now, it will mean separation and divorce: family separation, as young Scots educated at home are forced to head south or abroad to make a living; economic separation, as Scotland is cut off from competing in world markets; and divorce from our own potential.

Labour's rhetoric is decades out of date. I do not know whether anyone has told the Labour speech writers this, but we now live in a big world, with unfettered movement of labour, capital and goods across Europe. Empowering Scotland does not mean having economic borders, because there are none. How can Labour sustain its claims that we would be cut off from our main market under independence when that is demonstrably not true? Independence is about empowering Scotland to compete in our biggest markets across our islands and Europe. If there is a positive case for keeping Scotland divorced from its potential, powerless in the face of increasing globalisation and hard-wired into relative decline, let us hear that case from the

establishment that has delivered just that. We will not hear it, and we must leave Labour to its internal feuding and to the politics of the past. We must look forward.

Mr Brian Monteith (Mid Scotland and Fife) (Con): Will Andrew Wilson give way?

Andrew Wilson: I am moving on; my time is tight.

An SNP Government will make a start with the limited powers of devolution. Even here, the Labour bluster machine has been spinning out of control. Let us take business rates as an example. Early last month, I outlined a policy commitment to get the business rate below the UK rate within four years. Stage 1 of that was to replace the Scottish Enterprise local enterprise companies with regional offices. Has a Labour spokesman said whether it agrees with that idea? No, they have not. One leading back bencher—whoever that might be—said that there was agreement on it in the context of Dunbartonshire. It has been amusing to watch the Labour bluster on our commitment.

The commitment was set out in our initial briefing on 4 February, and it has not changed. It said:

“Immediately on taking office we will legislate to replace LECs with Scottish Enterprise regions and focus the savings on cutting business rates. This is stage one in achieving our target of getting business rates below the UK rate within our first term”.

Since then, Labour has attacked, smeared and misrepresented us. When I was with Iain Gray on “Newsnight Scotland” and repeated our commitment, a rather embarrassing pamphlet was issued, saying that our commitment had crumbled because I had—as the facts indeed showed—repeated it. That is bizarre.

Labour seems to feel that, if it bends the truth and shouts loud enough, people will believe what it says. They will not. Labour has been proven to have told fibs in the past and it cannot be the case that people will believe it today. That will not happen if all that Labour ever does is to attack. If Thomas Edison had been a member of the SNP, Labour would have condemned the light bulb as a dangerous and uncoded anti-candle project.

Rhona Brankin (Midlothian) (Lab): Will Andrew Wilson take an intervention?

Andrew Wilson: No, I am not taking it.

Let us look at the detail. Labour’s attacks on our pledge, which has not changed and which will not change, have been proven to be demonstrably wrong.

Iain Gray: Mr Wilson must give way.

Andrew Wilson: I am developing the point.

Labour said that our pledge cannot be afforded, yet the budgets are to be cut, so that is also demonstrably wrong. In the 14 days to yesterday, the Executive announced £1,487,274,000 of spending commitments. That is what Governments do; it is what the Government will do over the next four years. That money is not Labour’s, it is the people’s. The election should be about the budgets that will come to us in the next four years, and it should be a battle of ideas.

We can expect those spending commitments over the next four years, but over the past four years the Parliament has spent £4 billion more than was allocated and anticipated in 1999. Is Labour saying that the budget will be static for four years and will not change? That is absurd. The four-year commitment, at its present highest estimated cost, is one tenth of what the Government has announced in the past fortnight.

Rates in the rest of the UK are set to rise in the coming year. In Scotland, the Executive’s policy is to freeze rates. That one policy choice—which has already been made, is costed and is in the plans—takes us one fifth of the way to achieving our target. If that simple policy, which the Executive did not put in its manifesto, remained in place while the rest of the UK raises inflation, the remaining gap to be financed in the fourth year would be less than £20 million. The underspend in the enterprise department’s budget last year was two and a half times that.

Let us not talk rubbish about ideas being unaffordable. If the Labour party does not agree with the policy, let us have a debate about it. Let us not have this nonsense that things cannot be afforded, because they can, as we have demonstrated in the past four years and will demonstrate in the coming four.

Rhona Brankin: Will the member take an intervention?

Andrew Wilson: I will take Rhona Brankin’s intervention for the sake of peace.

Rhona Brankin: The member talked about the SNP business rate, yet in the past he has referred to it as a first step in enhancing competitiveness. Now it has been downgraded to a four-year target. Will the member please clarify its exact status?

Andrew Wilson: I know that Rhona Brankin is reading from a document that my party produced and it is a bit embarrassing for her to do that.

The business rate is a target, a commitment and a pledge: it is what we want to achieve in the next four years. The member can obfuscate all she likes, but that sort of student politics is out of date. All those smears come from a party that made a pledge in a white paper on devolution in 1997. That pledge on the cost of the Scottish Parliament

emerged as being wrong by a factor of eight. The widow of the architect of the project now says that the party made up those figures and put them in a white paper.

Phil Gallie: The member's party backed it.

Andrew Wilson: Phil Gallie should relax. The Labour party makes things up, invents support that does not exist and spins against opponents with demonstrably untrue attacks. By the Labour party's own admission, the SNP is stronger, clearer and more consistent on the economy—and no wonder. We recognise the core truth that we must get growth up to boost revenues. Labour does not seem to grasp that.

As I said earlier, if in the past four years Labour had met its target for creating new businesses, there would be £500 million more in the Exchequer—think what we could afford with that. Our pledge on business rates helps to set our strategy and the direction that we will take when entrusted with financial independence. In the meantime, it will help hard-pressed businesses to survive and to engender hope.

We offer hope and try to raise the level of the debate. Labour peddles fear and smears. In the past four years, it has been caught making up costings, inventing supporters who do not exist and making pledges that it does not keep. Its smears have been exposed as unfounded. However, once again it is asking Scotland to believe the same tired old lies in a campaign that will be funded from London. My big comfort is that Labour members' attacks on us are far less fierce than their attacks on one another. If Iain Gray could count on the support of the Cabinet and of his ministerial colleagues, he might be in a stronger position in this debate. In reality, enough is enough.

We have had four years of in-fighting, sackings, resignations and denials from the minister at the back of the chamber—Wendy Alexander. It is time to move on. We have huge economic potential. Our amendment focuses on how we can begin to earn our way to that. Our country and economy cannot wait any longer.

I move amendment S1M-4057.1, to leave out from "endorses" to end and insert:

"believes that a dramatic improvement on the underperformance of the Scottish economy should be the top priority of Scotland's leaders and calls for all parties to work together to place growth and competitiveness at the top of our national agenda; supports initiatives such as set out in *A Smart, Successful Scotland* and effective investment in infrastructure and skills improvement but believes more must be done to deliver maximum growth and a competitive advantage for the Scottish economy; calls on all parties to support positive reform of the Scottish Enterprise network and a reduction in Scottish business rates to below the United Kingdom rate in the course of the next session of the Parliament, and believes that the

optimal policy to release Scotland's full economic potential requires the Scottish government to be equipped with the same competitive policy tools as Scotland's independent competitors focussed on delivering the maximum possible competitive advantage for the Scottish economy."

10:13

Miss Annabel Goldie (West of Scotland) (Con): Mr Andrew Wilson resembles Harry Potter in more ways than one. Both seem to occupy the same magical environment, in which a wand is waved and results are achieved. A game of quidditch has as much prospect as the Scottish National Party has of delivering for the Scottish economy.

"An enterprise economy is the key to generating wealth, sustaining high employment and ensuring good-quality public services. To grow new jobs and new skills, the new Scotland requires stability, investment in education, the development of new technologies, greater innovation and a business tax environment that is supportive of business development and growth."

Those are not my words, but the words of the then Minister for Enterprise and Lifelong Learning, Henry McLeish, when he spoke in the first debate on the Scottish economy in this Parliament on 24 June 1999. He went on to say:

"we will build on Scotland's economic success by investing in jobs and skills, promoting a stable and competitive environment for enterprise, and encouraging the growth of new businesses."—[*Official Report*, 24 June 1999; Vol 1, c 819.]

How has that cheering and bold prospectus fared as we reach this debate, nearly four years later? Gross domestic product in Scotland rose by 0.6 per cent in the third quarter of 2002. That followed a rise of 0.2 per cent in the second quarter, after two successive reductions in quarter 1 for 2002 and quarter 4 for 2001. Of course, that saw Scotland in recession for the first time in 20 years. In comparison, GDP in the UK as a whole rose by 0.8 per cent in the third quarter. That means that by any comparison, the economy did better under a Conservative Government. Britain has slipped from ninth to 16th in the world competitiveness league since 1997 and productivity has halved under Labour.

I turn to business start-ups. In the fourth quarter of 2002, 4,020 new businesses were recorded in Scotland. Although that is welcome, it represented a decrease of 7 per cent over the year. Business rates in Scotland are almost 9 per cent higher than they are in England—Scottish business rates are currently charged at 47.8p in the pound, compared with the English rate of 43.7p.

Iain Gray: I know that we have discussed this point before, but this is my last chance in this session to try to get a rational answer to the question. It is true that the rate poundage in Scotland is higher than it is in England, but it is

also true that, at the last revaluation, rateable value went up by only 15 per cent in Scotland compared with an increase of 25 per cent in England. Is it not the case that the most important thing for business is the take in rates? Does that not depend on both rateable value and rate poundage? Will Miss Goldie at least admit that mathematical fact?

Miss Goldie: There are two components and, as any business person who has paid business rates will tell us, the one stable component is the business rate poundage element. The businessman can then make decisions about the type of premises to occupy, knowing that he has within his control a calculation of the ultimate rates bill. If the Scottish Executive has not visited an uncompetitive business rates regime on Scottish business, why has it sought to freeze business rates over the next year?

On top of the stealth taxes already imposed, the average family in Scotland will pay an extra £445 a year following the rise in council tax, the national insurance contribution increase, which is to come into effect on 1 April, and the freeze on income tax allowance. I quote from a letter to *The Herald* on 20 March from Iain McMillan, the director of CBI Scotland. He said:

"We make no apologies for spelling out that by 2005 firms will have paid out just under £6bn extra in tax for each of the years since Labour came to power, a total of £47bn.

We would be failing in our duty if we did not point out the impact of rising taxes on company finances. The chancellor would be wise to take note, because this cannot continue without damaging investment and jobs."

Bristow Muldoon (Livingston) (Lab): Will Annabel Goldie confirm whether, if she believes the tax burden to be too high, she subscribes to the view of the UK Conservative party, which wishes to cut investment in public services by 20 per cent? If she does not, by what figure would she wish to cut public services?

Miss Goldie: I am certainly not going to agree to what is a distortion of the Conservative party's position in Westminster. For the purposes of this devolved Parliament, I say that we are the only party that will present a tax-cutting agenda to business. As the amendment indicates, we are prepared to undo the wrong visited by the Scottish Executive on the business community in delivering the most uncompetitive tax regime in the United Kingdom.

Alex Neil: Will the member take an intervention?

Miss Goldie: I would like to make further progress.

Before I took Mr Muldoon's intervention, I was indicating the extent to which the tax base has risen in the British and Scottish economies. We

can be clear about what has been taken out of the economy in tax, but it is only fair to the Executive to give some thought to what has been put back in to help business.

It is interesting that the Scottish Government's budget document, "Building a Better Scotland", which was published on 12 September 2002, lists a combined budget of £521 million for the enterprise networks. The fact that the population of Scotland is just over 5 million people, according to census day 2001 figures, means that Scottish Enterprise and Highlands and Islands Enterprise have spent more than £102 for every taxpayer in Scotland in 2002-03. Indeed, grants to selected businesses from the enterprise networks have amounted to as much as £27 million in one year—that is £5 for every man, woman and child in Scotland.

What has been the effect of that expenditure? If we look at the dismal record on business start-ups, we see that the effect has been negligible. I quote from what Mr Tom Hunter said, as a director of the Prince's Scottish Youth Business Trust—I declare an interest in that regard—at a meeting of the Enterprise and Lifelong Learning Committee on 18 March of this year. I am sure that Mr Hunter's political views are very divergent from mine. On helping business start-ups and making them work, he said:

"We should take £50 million out of the Scottish Enterprise budget and give it to the PSYBT ... If the PSYBT was given the money that is available from elsewhere it would not be extra money, but it would be money that was being better used and better focused. The PSYBT has a system and it bloody works."—[*Official Report, Enterprise and Lifelong Learning Committee*, 18 March 2003; c 3191.]

I could not put it better myself.

Although the Labour and Liberal Democrat parties made a sensible assessment of an enterprise economy in June 1999, they stand damned by their own record in March 2003. While those two parties have masqueraded as the friends of business, Labour at Westminster has massacred pensions, strangled business in red tape, sucked tax out of the economy like a vacuum cleaner and seriously damaged stock-market confidence. It has done all that, and the tax on jobs is still to come from 1 April.

In Scotland, Labour and the Liberal Democrats have proudly presided over the highest business rate in the United Kingdom, have neglected essential investment in transport over four years, have nursed growth-rate stagnation and have stood by as business start-ups have declined sharply. The bulk of the money that they have spent has gone on that jewel in the crown of economic dynamism and efficiency, Scottish Enterprise—an organisation whose capacity to absorb money is like that of blotting paper.

Alex Neil: I note that the Tory policy is to reduce

Scottish Enterprise's annual budget by £250 million. Will the member give us three examples of the big budgets within Scottish Enterprise that would be cut?

Miss Goldie: The Tory policy is to take £264.8 million from the enterprise networks overall, not just from Scottish Enterprise. We would leave intact the budgets for skills, training and modern apprenticeships.

Alex Neil: What would the Tories cut?

Miss Goldie: We would remove from the enterprise networks the decision-making process and the funding mechanism, which allow bureaucrats to make decisions about starting up businesses, because it has been proved that the enterprise networks' role in that regard is not working. I refer back to the quotes from Mr Tom Hunter.

I will expand further. The Scottish Conservatives have a clear policy commitment to create an annual fund of £5 million for young entrepreneurial business start-ups for people between the ages of 18 and 30.

Alex Neil: I seek clarification. If everyone in Scottish Enterprise were sacked, that would save only £80 million. Where would the other £170 million of cuts come from?

Miss Goldie: We must consider the budget for the enterprise networks overall, not just the budget of Scottish Enterprise. It is apparent that the sums that we have in mind could be stripped out. That would leave a signpost facility and a deliverer of training, modern apprenticeships and skills. We would take away from the enterprise networks much of the bureaucracy, which, as I have already said, has acted like blotting paper on resources.

Iain Gray: Will the member give way?

Miss Goldie: I am sorry but, given the time, I need to make progress.

That is the reason why business needs a break from the current nightmare. I submit that business needs the Conservatives' tax-cutting agenda, which would take money from the bureaucrats and reinvest it in business. The amendment in my name indicates exactly how that money would be redirected and how it would be delivered to business to give a direct and immediate benefit to the Scottish economy.

Our proposal contrasts interestingly with Mr Wilson's monologue, which might have been strong in rhetoric and in its condemnation of the Executive, but seemed to be pointedly deficient on what specific benefit would accrue to Scotland's economy on 2 May if people were misguided enough to support the Scottish National Party.

My party offers a chance for a real difference: a

chance for business to do something about the current situation and a chance for Scotland's economy to be lifted back out of the slough in which it has been placed by the Scottish Government.

I move amendment S1M-4057.2, to leave out from first "Scottish" to end and insert:

"objectives of *A Smart, Successful Scotland* and, while welcoming the introduction of education for work and enterprise within Scottish schools, expresses concern that, at the end of the first devolved parliamentary session, business start-ups have declined, business regulation has intensified, strategic transport investment has been neglected and business rates have increased, and calls upon the Scottish Executive to recreate a competitive business environment by increasing the annual transport budget by £100 million, cutting the business rate poundage to the level of England and taking pro-active steps to reduce the burden of red tape on Scottish business."

10:26

Tavish Scott (Shetland) (LD): If Andrew Wilson is Harry Potter, Annabel Goldie did a passable imitation of Hermione Granger—complete with blue stockings.

I will share two thoughts on Mr Wilson's speech. It is a bit rich of him to lecture other parties on positive campaigning, when his party's idea of what that means is to put up a picture of the First Minister being stubbed into an ashtray. Let us have some standards from Mr Wilson's party as well. Also, I am sure that we will all hold Mr Wilson to his commitment that he will now take economic statistics over a 30-year time line. I applaud that long-term view and I look forward to hearing his comments when the next quarter's gross domestic product figures are published. We will then see how consistent he is on that point.

I begin by making one or two brief points about the international situation. It is interesting that neither of the Opposition parties touched on that in their opening speeches. Indeed, it seems extraordinary that they should not be at least conscious of the difficulties that are being caused to economies worldwide by what is happening internationally. No one should underestimate the long-term economic impact of United States unilateralism and the Bush Administration's approach to old Europe.

The schisms within Europe create significant economic uncertainties in Scotland's major export market for manufacturing. Last Friday's European Union summit was meant to be about economic reform within the EU but, for understandable reasons, that was forgotten. Instead, Europe's leaders spent more time postponing for another year discussion on how to make Europe the most competitive economy in the world. That is very important because the European Union has the legitimate right to impose £2.5 billion of trade

sanctions against the United States because of American exporters' use of offshore financial means to circumvent the trading system. There are economic difficulties brewing internationally.

We should also consider tourism against the international background. Present estimates forecast potential losses to tourism of 3 per cent if the war is geographically and time limited—which must be pretty doubtful. Business tourism is uncertain given the present economic position.

Another important industrial sector that should be borne in mind in the overall international context is oil and gas, which is a mature Scottish industry. Recent job cuts by BP and Shell in Aberdeen and in my own part of the world have caused few ripples, but the North sea is now a mature and declining field. The oil majors have considered their international investment criteria and want to invest in fields that are growing rather than ones that are declining.

Last year, only 14 wells were drilled in the North sea. In the northern North sea there was despondency about the failure to strike any new fields in the Faroese sector. However, there are still 55 companies that are extracting oil and gas from 300 fields and the Clare field, west of Shetland, is still to come on stream. Those 300 fields raise some £4.5 billion in taxes for the Government. Smaller companies are now purchasing assets from the BPs of this world—witness last week's sale of the Forties field to Apache.

The Scottish Executive must be aware that last year's budget will cost the industry some £8 billion by 2010. Energy companies like stability. Even if the Government tells them plainly that they should plan for bad financial news, they still want financial stability. They need to know what is coming. What caused the fiscal difficulties last year was the bolt out of the blue. That needs to be recognised.

In the spirit of the growing businesses theme in "A Smart, Successful Scotland", I want to mention renewable energy, which the minister referred to in his opening remarks. That must be an area where we can build on Scotland's strengths, natural resources and manufacturing excellence. Yesterday, my colleague Ross Finnie stated the Executive's intention to work towards a target of 40 per cent of energy being produced from green resources by 2020. The Executive's commitment allied to the expertise and enterprise in the Scottish renewables sector will enable Scotland to succeed in that area.

If I agreed with anything that Annabel Goldie said, it was that it is not the job of the Executive or any Government to develop renewables projects. That is for the industry. It is the Government's role to develop a policy, economic and planning

framework that supports the development of our renewables potential in new business start-ups.

Bruce Crawford (Mid Scotland and Fife) (SNP): Obviously the member will welcome the 40 per cent target that was announced yesterday. The SNP would have gone further, but we welcome the road to Damascus being followed. Does the member support the idea of a green jobs strategy for Scotland so that we can capitalise on the potential for renewable energy? Is he not a bit disappointed that that green jobs strategy did not form a central part of "A Smart, Successful Scotland"?

Tavish Scott: Mr Crawford should look closely at what the Executive announced yesterday because such a strategy was inherent in the announcement. There is the opportunity to undertake and commercialise research through such projects and existing manufacturing expertise. That is very much part of the approach of the Executive and my party to renewables and to many other areas of environmental advancement.

Scotland cannot rely on hydro and onshore wind alone as established technologies for reaching that 40 per cent target. The development of marine energy—energy from waves and tides—is at an early stage, but it represents a huge opportunity for Scotland and is an area where the country can definitely become a world leader. It is especially important to build on the synergies with and the expertise of the oil and gas sector.

The new £5.65 million marine energy test centre in Orkney will provide a state-of-the-art testing facility for marine power technology with £2 million of Executive funding. That is where Highlands and Islands Enterprise is so important; it is the very body that helped to bring that centre about, and I now know that the Conservatives would all but abolish that body. The project is of international significance. It will put Scotland at the forefront of research and the commercialisation of wave and tidal power. In a rural or island context, the issue is about exporting power to where it is needed. The Government must therefore ensure that the reserved issues relating to upgrading and investment in the electricity grid are resolved.

Renewable energy is not all about harnessing wave and tidal power on Scotland's coasts. On the business pages of one of the newspapers this week there is the example of a company called Renewable Devices Ltd, which is based outside Penicuik. Through the innovation of two former scientists turned businessmen, that company will produce the first household wind turbine, to be unveiled later this year. That is the kind of innovative project that we should be encouraging through business start-up funding in Scotland.

Mr David Davidson (North-East Scotland) (Con): Will Mr Scott tell us whether the Liberal party has a different set of policies for growth from that of the partnership of which it is part? If so, will he describe them to us?

Tavish Scott: I will make the speech that I want to make, not the speech that Mr Davidson wants me to make. I do not plan to abolish Highlands and Islands Enterprise.

David Mundell (South of Scotland) (Con): Neither do we.

Tavish Scott: Yes the Conservatives do. I do not plan to cut £260 million from the budget of Scottish Enterprise, because I believe in investment in skills and training. I note that the Conservative party does not believe in investment in skills and training and would cut £260 million from those budgets. That is the difference between my party and the Conservative party.

Another industry that can and must grow is food and drink production. Food and drink are worth £4.3 billion per annum to Scotland and there is a strategic aim to increase that to £7.4 billion by 2010. It is important to drive for innovation. One of those areas of innovation is healthy foods, which are increasingly important to consumers in this consumer society. Research by the Edinburgh-based Dr Ron Lewis demonstrated that Shetland lamb has high levels of the fatty acid known as conjugated linoleic acid, which is known to have healthy benefits because it reduces the risk of cardiovascular disease. *[Interruption.]* Members might laugh, but I would have thought that a farmer such as Alex Johnstone would have known that it is quite important to develop such innovative projects and to use the produce from our countryside. If the member does not agree with that approach, that is his problem.

Andrew Wilson: I do not mean to lower the tone of Tavish Scott's considered speech but, given that he is focusing on the food and drink sector, and given the minister's comments that all the problems of the Scottish economy are to do with electronics, does the member agree that the fact that the food and drink sector today is producing less than it did a year ago is another area for concern?

Tavish Scott: I do not think that it is producing less. An article in *The Herald* today illustrates that sales of whisky—if that is the statistic that Andrew Wilson is using—are down, but their value is up. In that context, I am not sure that he is correct.

Iain Gray: In a similar vein, Tavish Scott might wish to note that when we examine proof-of-concept funding, the Scottish agricultural and biological research institutes, which bring the innovation to the sector that he is talking about, do extremely well as recipients of those funds. "A

Smart, Successful Scotland" is supporting exactly the kind of innovation that he is talking about, and that is important.

Tavish Scott: I take the minister's point. It is an area in which I am sure the parties on this side of the chamber would wish to continue investing. The parties opposite clearly would not.

I will make one other point on food and drink resources, which are important for Scotland as a whole, and that is on fish. The fish sector is underutilised in terms of quality. It is an important area that must be driven forward at this time, despite all the difficulties that the industry faces.

The more central point is to do with the power of the supermarkets, which is an issue that I raise as an island representative in view of the price of the product on supermarket shelves. For example, why does salmon in the Sainsbury's down the road from me cost between £12 and £25 a kilo retail price, when the price to the farmer is £1.50 a kilo? The same applies to many products. The power of the supermarkets is immense, but to what benefit to primary producers? The importance of food retailing and production, through initiatives such as the development of organics and farmers markets, is important in that context.

I finish with a couple of points on skills, for which the Conservatives have little regard. It was disappointing to note, in an article in *The Scotsman* on Monday on the developing Inverness economy, Highlands and Islands Enterprise's concerns about being able to get enough young people to become labourers or to work in the construction industry. That shows why it is so important that Highlands and Islands Enterprise and Scottish Enterprise are allowed to develop skills training. It also shows why the Enterprise and Lifelong Learning Committee's report on lifelong learning, and the minister's response to it, rightly emphasised parity of esteem—the importance of using vocational routes to work and valuing them equally with academic careers.

Glasgow College of Food Technology published a survey that suggested that Scotland's tourism and hospitality industries are facing a shortage of skilled staff, which was illustrated by the fact that 66 per cent of those who were questioned said that in the next 10 years there would be a lack of sufficiently skilled workers. Those are the challenges. They are long-term challenges, and they must be met by the enterprise network and the Scottish Executive.

I do not find compelling the arguments of those who argue for the cutting of budgets in areas where there is clear evidence of skills shortages. That must be addressed. It is profoundly worrying to me that some people appear to think that that is

the right approach to business development, training and investment in the future of the Scottish economy.

It is right to concentrate on Scottish growth, which is what we will do. That is why enterprise in education—running right through to secondary 6, as the minister mentioned—is so important. It is why modern apprenticeships are so important. It is also why it is important to allow younger people from 14 to work partly in a business, where they can gain a time-served apprenticeship in conjunction with their school work.

Mr Monteith: Will the member give way?

Tavish Scott: No, I am finishing. Projects such as Columba 1400 in Skye are important, because they will take teachers and create the inspirational beliefs and structures that are so important for the future of enterprise in our education sector. In time, such initiatives will serve to promote the growth that we all seek.

The Deputy Presiding Officer (Mr George Reid): We come to the open debate, with speeches of five minutes, plus time for interventions. That may tighten up a bit later.

10:39

Dr Richard Simpson (Ochil) (Lab): I have listened with great interest to the debate so far. Actually, I am not sure whether it should be dignified with the term “debate”, because some of the interventions have been below the usual standard, although I see that Andrew Wilson has now left.

There is no doubt that we are living in a global economy and that is evident in my constituency. The textile industry was the bedrock of Clackmannanshire and what has happened with firms such as Coats Viyella, whose 200-year association ended in 1999, demonstrates the kind of changes that we face.

When I stood for election in 1999, I went round those textile plants for the first time. It was like returning to a previous century, as the working conditions were very poor. I even discovered that, in one plant in Alloa, the wages that were paid to workers were still below the minimum wage and were illegal at that time—low pay and tough conditions.

Where previously we had thousands of workers in the textile industry, we now have very few. However, the workers whom we have represent a new Scotland. The cashmere industry in Kinross, for example, has the biggest bank of dyes, material and thread anywhere in the world. There is a superb research and development department to support design. That industry is fighting in a world market, but it is fighting successfully. It

manages the product from the goats in Asia through to the thread that is then used in the most modern designs. That shows how an industry can modernise itself.

Other companies in my constituency have followed the same path. Tavish Scott referred to fish and food. Landcatch Natural Selection, a new company in Alloa that has a £15 million investment, was helped by the Executive’s change in attitude when the investment was about to be made and there were some problems. Building on genetic research of the past 20 years at the University of Edinburgh and the subsequent knowledge base, Scotland will lead the world in the natural breeding of fish. In my constituency, we have applied that knowledge not only to fish, as we are the world leaders in chicken breeding and have made great advances in that area. We developed the same technology in relation to pigs, although that has been exported to America. We have to make sure that such companies are built, developed and retained in the United Kingdom and in Scotland in particular.

Quest International, another company in my constituency, deals with flavours. It provides an interesting illustration of the changes that we face. There has been a reduction in the number of workers in that plant, but there has been an increase in the percentage of graduates employed, from 10 per cent to more than 30 per cent. That company employs a highly skilled, highly educated work force and that position is reflected in many of the newer companies in my constituency. That can occur only with the stability that the UK Government in Westminster has provided in partnership with the Scottish Government. It has provided the stability on inflation, interest rates and business taxes that we need.

Stability can develop only if we create the educated work force that we are currently creating. We now have the highest number of young people going into higher and further education of any developed country in the world. That must produce benefits. When that is backed by the modern apprenticeship scheme, which offers over 20,000 modern apprenticeships—that will rise to over 30,000 modern apprentices under the next Government—we will create the work force we need. I very much welcome the educational maintenance allowance because it will help many people in my constituency as well.

What are the alternatives that are being offered? How long have I got, Presiding Officer—another minute?

The Deputy Presiding Officer: Another two minutes.

Dr Simpson: The SNP sends out highly mixed messages to our community. There is a poster in

my constituency, which the Quest workers pass every day on their way to work, saying "People not profits". That is a ridiculous soundbite. If the poster had said "People and profits", that might have been worth while. People and profits are not alternatives; both are important. The SNP has to make up its mind whether it is pro-business or anti-business. It is entirely appropriate to make profits.

The SNP's inconsistency on the matter is rich. In the 1999 elections, the SNP plumped for a 1p rise in tax worked out on the back of a cigarette packet—a penny for Scotland—and then dropped it just as quickly. How is that consistent and how can that party accuse us of inconsistency today? What is the SNP doing about that? The SNP wants fiscal autonomy, which would lead to cuts in public expenditure because of the substantial deficit in the Scottish economy and the fact that the public sector here gets 18 per cent more than the rest of the UK. That is a big hole; that party would have to explain to public sector workers how it planned to fill it.

Turning to the Conservatives—

The Deputy Presiding Officer: You have about half a minute left.

Dr Simpson: I do not have time, then, to deal with the Conservatives in the detail that I would like. However, I will ask them the question that is being asked by everyone out there. How do they square a reduction in taxation with maintenance of the public sector? People value our public sector, and if the Conservatives are going to destroy it, they do not deserve to win any more seats in the next election.

I welcome what the Government is doing in developing the strategy for "A Smart, Successful Scotland". Its intermediary technology institutes will shift resources across to create a virtuous circle: ideas will flow from business into the universities, and then back out into developing new industry and new technology. The policy that the Labour party is following in coalition with the Liberals is the right one. I urge members to support the motion.

10:46

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Presiding Officer, I apologise that I will be unable to stay until the end of this debate because of important engagements that were undertaken before I was asked to speak. [MEMBERS: "Aw."] Yes, I know that that is a great disappointment to members.

Dr Simpson said that Scotland is at the pioneering edge in the breeding of fish. He may tell that to the people in the Ardtoe marine fin fish farming research institute, which is facing closure.

It is the only institute dedicated to such research into aquaculture in Britain. Tavish Scott is shaking his head, but I am afraid that he is wrong. That institute carries out research on halibut and is the only institute of marine fin fish farming in Scotland.

Tavish Scott: I am afraid that Mr Ewing is just wrong. The North Atlantic Fisheries College in Scalloway carries out work on halibut, cod, monkfish and any number of other species.

Fergus Ewing: I think that Tavish Scott is wrong, but let us move on. Marine fish farming is essential to the Scottish economy and we need research on that, but the facility at Ardtoe has been closed down by new Labour. How does that fit in with "A Smart, Successful Scotland"?

Yesterday evening, I attended a meeting in Carrbridge. Many of the people there would not recognise the glowing picture of the rural economy that Iain Gray painted. They were concerned about losing services, and particularly about losing 42 auxiliary fire stations throughout the Highland fire brigade area. Thank goodness we beat the Executive on 8 January, when it wanted to deny the people of those communities the opportunity to take their case to their own Parliament by submitting a petition.

What I heard about last night was the threat to pharmacists in rural Scotland from the Department of Trade and Industry and the Office of Fair Trading report, which is fundamentally flawed, as all members who participated in the Health and Community Care Committee debate understood. The people in Carrbridge were also concerned about the threat to rural sub-post offices from the withdrawal of benefits and the introduction of a card that seems to be designed for banks to take over business from post offices. We heard about that in a recent members' business debate that no Labour members other than the minister bothered to attend.

I have asked people in rural Scotland about the state of the infrastructure. What investment has there been in the A75, the A82, the A96 or the A9 over the past four years? We have had the pre-election announcement of minor tinkering. We have had a route action plan for the A82, where there is a stretch along Loch Lomondside that has been single track with traffic lights for well over a decade. The Executive has suddenly realised that there is a problem, but I suppose that even Rip van Winkel had to wake up eventually. The Executive has let down the aspirations of rural Scotland in that respect.

The exchange rate is a serious problem, particularly for the mainstays of the rural economy. Not only does it impact on exporters, including some in Inverness in my constituency who have gone out of business because of the competitive

disadvantage that they have suffered—an engineering firm with competitors in the euro zone finds itself at a distinct disadvantage—but it affects those engaged in farming and in tourism. As tourists, we are getting used to travelling to euro zone countries without having to change currency. We just spend our euros in Germany and then if we happen to go to Ireland, as my wife did at the weekend for the British-Irish Inter-Parliamentary Body, we can take the same currency with no exchange costs and no hassle. It is a great advantage. We do not have such an advantage because we are thirled to the pound that Mr Davidson's party is so fond of retaining.

What is the effect on the forestry industry? Leading Scottish entrepreneurs that have been associated with the forestry industry for centuries are setting up new businesses not in Scotland but in the Baltics. How does that demonstrate the success of the stable macroeconomic regime? Incidentally, on that subject, what is the comparison between the interest and inflation rates of the developed economies in the west? We have not heard much in the way of comparative data in that regard. In fact, the UK has relatively high interest rates among the countries with which Scotland would compare herself.

What about the burden of indirect taxation?

Dr Simpson: Will the member give way?

Fergus Ewing: No, I will not. I will deal with Richard Simpson later when I come to talk about the private finance initiative and the firefighters.

As far as indirect taxation is concerned, the burden on the whisky industry is crippling. Why do we in Scotland have excise duty rates that are double or triple the level in other European countries? Furthermore, why is the tax—which is not based on the amount of alcohol in the drink—so much higher than the tax on wine in France, Spain and Italy? Is it because those countries look after their industry and because the UK does not really give two figs for the Scotch whisky industry? The UK was embarrassed into freezing the rate because of constant pressure, not least from the SNP.

What about the impact of the aggregates tax, which will see £50 million leaving the country for the towns? What about Highland Council's campaign for a decent sustainability fund? Money is leaving many quarries in the Highlands, and we will not see the benefit of it because the Executive has reneged on its promise to provide us with even a reasonable fund.

Richard Simpson mentioned the slogan "People not profits". Of course, that specifically refers to PFI. One particular failing of the Labour party is its espousal of a policy that it has plagiarised from the Conservatives. For example, although the terminal

at Inverness airport cost £9.6 million, the cost of the PFI contract over its life might come to £30 million even if there is no increase in passenger numbers. Furthermore, we have the ridiculous situation in which the more passengers that Inverness airport gets, the higher the PFI payments will be. It is also absurd that retail development at the airport terminal is prevented because of the terms of the PFI contract.

Under Mr Neil's tutelage of the Enterprise and Lifelong Learning Committee, the Parliament has said that the matter must be dealt with. We all know that that is true, but the Executive has not dealt with it, because it knows that doing so would be an admission that PFI is a failure. It puts excess, unreasonable and unfair profits ahead of people. Those profits could be used for public services, which is why the slogan "People not profits" is correct.

The Deputy Presiding Officer (Mr Murray Tosh): We are not desperately short of time this morning. However, members were invited to speak for five minutes, including time for interventions. I would be grateful if members could get within an approximation of that time limit.

10:53

John Scott (Ayr) (Con): In speaking in support of the Conservative amendment, I want to raise matters that are specific to Ayrshire, where job losses are mounting and threats to jobs are increasing. Indeed, it is regrettable that, in the month of March alone, BAE Systems at Prestwick has announced 195 job losses and the Scottish Agricultural College has announced plans to cut 140 jobs at Auchincruive. However, those developments are just part of a picture of on-going deterioration, and much as I want to speak up positively for Ayrshire—which is something that I usually do—one has to take a reality check now and again and confront the facts.

Let me start first with the Government's own figures, as published in "Towards a National Planning Framework", which unequivocally show that employment in Ayrshire is in decline. For example, employment in knowledge industries fell by 5 per cent between 1995 and 2000 in Ayrshire but rose by 25 per cent in the west of Scotland and by 26 per cent in Scotland as a whole.

Employment in Ayrshire is concentrated in the hands of large employers—they generate 43 per cent of employment in the area—which leaves Ayrshire vulnerable to global economic trends that impact on the large corporate sector. For example, September 11 might mean job losses at BAE Systems if its principal customers, Boeing, build fewer aeroplanes because fewer people are flying. This week, 27 temporary staff were laid off at GE

Caledonian because aircraft engines need less maintenance as a result of the cancellation of flights all over the world because of the gulf war.

Dependency on the vagaries of the global financial markets makes companies less willing to take on apprentices. School leavers who want to join BAE Systems must compete for the 30 or so places that are on offer, where once there were many more. The human impact is that school leavers and children must either go into further or higher education or leave the area to find a job, as there is little or no work locally. That is why the working-age population in Ayrshire is forecast to decline by 4,000 by 2010. Outmigration from Ayrshire is a fact of life and it must be addressed strategically—hand wringing by the Government is no longer acceptable.

Alex Neil: I agree with John Scott's analysis of the Ayrshire economy but, as Miss Goldie failed to answer the question, will he say how much of the £268 million cut that the Tories propose in Scottish Enterprise's annual budget would come out of Scottish Enterprise Ayrshire's budget?

John Scott: I am afraid that Miss Goldie must answer that question, and I am sure that she will do so in her own time.

Economic activity in Ayrshire is lower than activity in Scotland as a whole, which is reflected in the poverty levels in Ayrshire. GDP per head in the UK is £12,500 and in the west of Scotland it is £11,500, but in Ayrshire it is only £9,300. Unlike in the central belt economy, job losses in Ayrshire are not absorbed by similar industries. Job losses in Ayrshire mean just that and relocation packages take people away from the Ayrshire economy because their pay packets are spent elsewhere.

Our able and capable people have always been Scotland's greatest export, but nowhere in Scotland is the effect of that more profound than in Ayrshire. Fortunately, we have a strong gene pool—Alex Neil is an example of it—and we continue to produce talented and able young people but, sadly, most of them leave Ayrshire, to return only on holiday, which is not good enough.

The A77 is being upgraded at last, but it would have been built long ago if the Tories had been returned to power in 1997. Our railways are improving at last, but more needs to be done, particularly at Paisley Gilmour Street station, to increase capacity to and from Ayrshire. Greater connectivity by road, rail and air offers the potential for a brighter future, but steps to create and develop new and existing businesses are not being taken fast enough.

The talk about a smart, successful Scotland is just that. Ayrshire needs action, which means creating a better fiscal climate to encourage new business start-ups, the rate of which is falling in

Ayrshire, as the minister admitted earlier. We need lower business rates to give relief to our hard-pressed corporate global businesses, which often relocate to eastern Europe or the far east because survival for them is measured in lower unit costs of production. We need lower water and sewerage charges, which are higher in Scotland than in the rest of the UK. We also need an active Government policy to disperse Government jobs from Edinburgh and the central belt to the less-favoured parts of Scotland.

We need action and results to lift the Ayrshire economy, because fine words, glossy brochures, strategies and forums have never been enough. I look forward to the Executive's response, both to the debate and to my letter to the minister on the subject last week.

10:59

Ms Wendy Alexander (Paisley North) (Lab): I realise that Mr Wilson's speech might have been his valedictory address, which could account for some of its tone. The true character of politicians is revealed in speeches in which they eschew smears, but go on to smear members of the Scottish Parliament, Westminster and the Scottish Executive. In my own case, not a single member would regard me as a shrinking violet. If members cannot find quotations to back up their claims, they should do the decent thing and stop trying to fabricate them. Otherwise, it could be said that protestations of eschewing smears become simply the crude politicking for which politicians can become known. We all may be driven to the conclusion that the throwing of mud is just an unsubtle way of trying to silence some of the most trenchant critics' analyses of the issues.

I will turn to some of those issues. Firstly, in five weeks, the Scottish people will choose whether further constitutional change is the answer to the economic challenges that face us. In its pre-manifesto document, the principal Opposition party has put forward just one policy, which, as we heard this morning, is the cut in business rates. Although Mr Wilson said that that cut would be covered in part by the reorganisation of Scottish Enterprise, he refused to put a figure on it. That leaves the SNP open to exactly the sort of probing questioning of Annabel Goldie and John Scott that we heard from Mr Alex Neil.

I want to address where the money will come from. In other forums, the SNP has said that front-line services will not be affected, as some of the savings will come from a reorganisation of the local enterprise companies. The truth is that the entire discretionary budget for the local enterprise companies next year is only £111 million. I say to SNP members, more in sorrow than in anger, that those of us in the Labour party have learned that

to be fit for Government one cannot be pro the easy promises—one has to be pro-enterprise.

Andrew Wilson: We would be delighted if the member was speaking in sorrow and in anger. In the past 14 days, the Executive has announced £1,487,274,000 of spending commitments. She and the Executive, which she left, said that, in the unlikely event that the Labour party is re-elected for the next four years, they will not make a single spending allocation. Is that what she is saying?

Ms Alexander: For a year, I have loyally supported the Executive that I left. That is clearly a matter of frustration to the member and the reason why he has to resort to making up issues.

The substance of the member's intervention is important. It is true that the Executive has made important spending commitments, but I am perplexed that a party that purports to be pro-enterprise has set out in its pre-manifesto document that the only budget in which it wishes to make direct cuts is the budget that supports enterprise.

Secondly, is a party that alleges to be pro-enterprise prepared to work in partnership with the private sector? I think that all of us concede that the public sector could do better in that respect. The main instrument for those of us in the Executive is public-private partnerships, whereas the SNP has called its alternative scheme not-for-profit trusts. I say to its front bench today that its alternative is not a not-for-profit trust, but another easy promise. The SNP's schemes are financed exclusively by debt, not equity; they are certainly not "not for profit". If the SNP so dislikes PPPs, what are its plans for 2 May in respect of the 12 PPPs to provide new schools that are currently under negotiation in local authorities throughout the country?

Therefore, the story so far is that we have had one promise, but we do not know how it will be paid for. It seems that PPPs are to be cancelled—the SNP has not told us otherwise—yet the not-for-profit trusts are not "not for profit".

Thirdly, as we heard, the choice for Scotland under devolution includes the SNP's continued support for "A Smart, Successful Scotland", which we welcome. We also heard about one policy, but we have not heard how it will be paid for. The SNP had an independence policy that it used to call "full fiscal independence", but it now calls it "full fiscal autonomy", in the hope that we will not catch on. The key question is, if the SNP has plans for fiscal reform within the United Kingdom, why has it not published them? We have not heard a word about those plans today, nor have we seen the numbers. That is because there are no plans for fiscal reform within the UK; the SNP plans reform outwith the UK.

Andrew Wilson: I am grateful to the member for giving way twice. We are clear that we want Scotland to be independent—that is no shock. Is Wendy Alexander saying that, for the next four years and for the foreseeable future, Labour will oppose any more powers being given to the Scottish Parliament?

Ms Alexander: No. There have clearly been changes in how Scotland is financed. The graduate tax did not exist four years ago and we did not have a tax-varying power.

The issue is—I invite the SNP to comment on this—that the SNP has not produced any proposals for financial reform within the UK because it would have to deal with the fact that there would have to be a balancing mechanism across the United Kingdom, or son of Barnett. If we were to say that Scotland should hold on to everything that it makes and that the City of London—which is also in the UK—should hold on to the taxes that it raises, there would have to be a balancing mechanism. As soon as any flesh was put on the bones of that balancing mechanism, the SNP would have to face the uncomfortable fact that not a single academic economist in Scotland thinks that the SNP's estimates for Scotland's fiscal position are more accurate than those that have been produced by the Government and its economists. The reason why SNP members will not come up with a scheme for financial reform within the United Kingdom is that the falseness of their own figures would be revealed.

I ask SNP members, over the next few weeks, not to parade the many people in Scotland who would like to see change within the United Kingdom—we have seen it before and we will see it in the future—as people who are covert supporters of change outwith the United Kingdom. The SNP is free to continue to argue for independence, but let us be clear that the choice is between continuing reform—both constitutional and financial—within the United Kingdom and leaving the United Kingdom. I am sure that the views of the people of Scotland will be as clear in five weeks' time as they have been in the past.

11:07

John Farquhar Munro (Ross, Skye and Inverness West) (LD): I am concerned that much of the debate has focused on the central belt. We heard from Iain Gray about the great work that is going on in the central belt and the millions of pounds that are proposed to be spent on initiatives to develop that area. My concern, however, is with the rural parts of Scotland, where the economy is quite different, as most members will be aware.

Many people would suggest that Inverness, the capital of the Highlands, is vibrant and buoyant

and has a strong economic base. That might be so, but we see little evidence of it out on the periphery. Many commercial activities in the Highlands have gone over the past few decades, including the commercial yards at Nigg and Ardersier, which are now mothballed, and the Kishorn yard, which was one of the great units in the Highlands when the Chevron central platform was built but which is now closed down. I therefore come to the debate from a quite different perspective.

Much of the decline in the Highland economy has been caused by the distance of rural areas from the commercial centres and by poor transport links, many of which are not integrated. People jump on a bus or a train hoping to catch the ferry only to find, on arrival, that the ferry left half an hour previously. That does not do much for the economy of those areas. A lady complained to me recently about the concessionary travel fares scheme that has been introduced, which people can use outside peak times. That might be all right in Glasgow or Edinburgh, but if there is only one bus a day leaving Portree or Lochinver, when is peak time? That issue must be addressed.

Much of the rural economy is based on agriculture, fishing and tourism. The on-going problems in agriculture were aggravated by the foot-and-mouth disease outbreak, and many small crofting units have found it difficult to recover from the restrictions that were imposed then. The current support mechanisms for less favoured areas are creating quite a bit of difficulty because the criteria for getting on to those rural schemes are causing problems for small agricultural units and crofters. I suggest that the support mechanisms that were introduced for larger agricultural units be adjusted to take account of small units, particularly crofts.

Maureen Macmillan (Highlands and Islands) (Lab): John Farquhar Munro seems to be all doom and gloom about the Highlands. I noticed in his leaflet, which came through my door the other day, how much he welcomed the roll-out of broadband. I believe that Lewis Macdonald was in Cromarty yesterday, continuing the roll-out of wireless broadband, which will greatly benefit the rural economy in the Highlands. That is one of the ways in which the problem of distance will be overcome.

John Farquhar Munro: I am sure that many people, including me, support that view. Broadband is the development of the future, but such facilities are not available in many areas in the Highlands and Islands, so we have a long way to go.

I do not need to tell anybody in the chamber about the problems that the fishing industry has experienced. We have had protracted debates on the restrictions, hardships and other problems that

fishing communities face. Concerns have been expressed in the chamber about fishing effort moving from the east coast to the west coast, which is, in fact, happening. I have had reports of 40 vessels coming into the west coast fishery in the Mallaig and Kyle of Lochalsh area and of another 30 being expected in the near future. That will mean that 70 extra vessels will come into that fragile fishery, which is based mainly on scallops and prawns. The larger effort in that fishery will result in the market being flooded and prices and profits diminishing. That is a big problem, which must be addressed.

We have heard about tourism on many occasions in the chamber and about efforts to resurrect that industry within Scotland. There is no doubt that tourism is one of Scotland's main economic planks. Anybody that questions the value of tourism to Scotland has only to think back to the effect of the events of 9/11 and the restrictions that were imposed because of the foot-and-mouth outbreak. There was a decline in the number of tourists in rural areas, and the rural economy is struggling to recover from the detrimental effects of those events.

As I have said on many occasions, more support must be given to our tourism promotion body, VisitScotland. It has the expertise and the skills to develop our tourism industry, but we should give it much more support so that it can create an identity that is to Scotland's advantage. VisitScotland is promoting a campaign that suggests that, despite world events, Scotland is a safe destination. We have a clean environment and a sociable community, and I am sure that many tourists would enjoy the experience of visiting Scotland. Let us support VisitScotland.

Alex Neil: Will the member give way?

The Deputy Presiding Officer: No. The member is over time.

John Farquhar Munro: We heard earlier about opportunities for the Scottish economy. One of the main opportunities that is being discussed at present is the prospect of renewable energy. Most of that debate seems to have been directed towards wind turbines, for which applications are being submitted daily. Wave power is also an important new technology, but I suggest that tidal power is even more important. We have an abundance of tidal power around our coast that we should harness for the benefit of our rural economy.

Just yesterday, a petition came—

The Deputy Presiding Officer: Could you conclude quickly, Mr Munro?

John Farquhar Munro: I am just going to wind up, Presiding Officer.

A petition that the Public Petitions Committee discussed yesterday suggests that the Erskine bridge tolls should be removed. The argument presented is that the tolls are detrimental to the economy of the area. I agree with the petitioners that that is probably the case, although the toll is only 40p each way. I am delighted to report to members that my party has campaigned diligently for the removal of the Skye bridge tolls. Our leader, Jim Wallace, has made public statements on that issue. I am encouraged by the fact that our First Minister, Jack McConnell, said that, with the support of his party, he will remove the Skye bridge tolls. However, I ask the Parliament when that will be done.

The Deputy Presiding Officer: We have now had serious overruns by all parties. As the time has been distributed reasonably fairly, I have recalculated and will have to insist on speeches of five minutes from now if everybody is to participate.

11:15

Mr Adam Ingram (South of Scotland) (SNP): The problem with the Executive's motion is not the aspiration to deliver prosperity,

"first-class public services and a more socially just and sustainable Scotland."

It is obvious that we can all sign up to that. The problem lies with the Executive's inadequate policy prescription and its stubborn refusal to contemplate taking over control of the Scottish economy.

We can all agree on measures that are designed to develop the skills base of our work force, to internationalise our business and to stimulate research and development, innovation and the development of the knowledge economy. All are necessary to improve productivity and increase competitiveness and, by the same token, we can all welcome planned improvements to our transport infrastructure. The Executive woke up late to the importance of infrastructure but, unfortunately, it has not woken up to the scale of investment that is required.

The fact is that we must do all that I have described because our competitors are doing so, and many of them are ahead of us. In the globalised economy of the 21st century, we must run hard to stand still, but standing still is not good enough, given our dismal underperformance in economic growth. We need a step change in competitiveness to boost our long-term growth rate to the UK level, never mind the level of other small European countries, which have averaged an annual growth rate of 3.1 per cent in the past 25 years whereas our rate has been 1.7 per cent. If we had grown at a rate of 3.1 per cent, our GDP

per head would be a staggering £5,000 higher than it is today.

What is more, the situation has worsened under Labour. Contrary to Labour's propaganda, Gordon Brown has not turned round the Scottish economy. It is not strong or stable, compared with our competitors' economies. In addition to lower growth rates, we have constantly had a higher unemployment rate than the British average and a population growth rate that is much lower than that in England and which is turning into absolute decline.

John Scott highlighted the situation in the Ayrshire economy, which has suffered about 3,500 redundancies in the past year. Those redundancies were not confined to the electronics sector but were also in food and drink manufacturing, pharmaceuticals and the service sector, particularly tourism.

The truth is that nothing has been done to correct the disequilibrium of the Scottish economy, which is constantly drained of capital and labour to feed the main engine of the UK's economic growth, which is London and south-east England. In that context, it is interesting to note the observation of Brian Lang, who is the principal of the University of St Andrews. He said:

"I came back to Scotland about two years ago and was immediately struck by the paucity of international headquarters and the lack of control we have over business in Scotland. It seems the influence is less than we need."

The fundamental problem is that we are stuck in a political and economic union that, among many other things, cannot vary uniform tax rates in the UK to bring the economies of a multinational state into line with one another. The needs of the centre will always be addressed first, whether or not that is at the expense of the periphery, which is, sadly, Scotland's lot in the UK.

I commend Andrew Wilson's amendment because it connects means to ends, unlike the Executive's motion. We will not be able to release the potential of Scotland's economy until the Parliament takes over control of the economy.

11:19

Mr David Davidson (North-East Scotland) (Con): I recall that, in June 1999, when we had our first debate on the economy, I raised the prospect of a policy based around wealth creation and was barracked by Labour members. I love their conversion—it is quite splendid—but will they deliver on wealth creation?

The minister talked about unemployment and made a fantastic comment. He said proudly that there are now fewer unemployed people among the older population. Does he not realise that that

is to do with necessity? It is to do with the hits on pensions and the astronomic increases in council tax that have happened since Labour and the Liberal Democrats came to power. When I was knocking on doors last weekend, that was all that I heard from people. The Liberal Democrats in Aberdeenshire have put the council tax up by 63 per cent since they came into power. Do pensions go up that much? Of course not—it is absolute nonsense. The minister ought to be congratulated on his honesty in admitting what is happening, but he ought to deal with the problem.

Does the Labour party consider Gordon Brown to be a friend or a foe to the Scottish economy? Wherever I go, business moans about higher taxes and back-door taxes. There is not much point in the SNP smiling, because I seem to recall that it supported the increase in national insurance contributions at Westminster. The SNP will not exactly be friendly on the fiscal front whether it gets independence or gains power here. In Westminster, which still controls tax, the SNP is no better than the rest of the parties. SNP members should bear that in mind.

The Government's role is to create an environment that will encourage investment. That is not happening in Scotland.

Alex Neil: Will David Davidson give way?

Mr Davidson: I will give way to Mr Neil in a minute. I will recognise the superiority of his gene pool a bit later.

We are not creating an environment in which people will invest. As Tavish Scott said, the oil majors are looking twice at the Scottish cost base. I refer to a document from the United Kingdom Offshore Operators Association that came to me the other day. It states four issues that relate to the competitiveness of, or the economic attraction of coming to, a province: prospectivity, which is finding the oil and gas; the costs of developing and operating when the oil or gas has been found; the fiscal regime; and the political risk. I questioned UKOOA about the difference between the fiscal regime and the political risk. As far as it is concerned, across the UK, they are the same.

Alex Neil: I share Mr Davidson's aspiration of creating an environment in which investment is encouraged. As Miss Goldie could not tell us the answer, will Mr Davidson say how much of the £268 million cut in the enterprise network budget that the Tories propose Scottish Enterprise Grampian would take and what that would do for investment in the Grampian area?

Mr Davidson: Mr Neil has only to look at the documents that we published this week. I give him a guarantee that, under our manifesto, the skills budget will be maintained—it will not alter. We can take out some of the costs on the peripheral

issues, such as the overlay of schemes or the time, cost and performance that are necessary to try to get in on a grant scheme. Some of the SNP's figures from Andrew Wilson are not too clever. Unfortunately, he is not in the chamber.

Andrew Wilson: Yes I am.

Mr Davidson: I beg his pardon. He has moved seat.

The Liberal Democrats—or perhaps we should call them the Labour Democrats—once again went through a 13-minute litany of all that is bad but said nothing about their policies. We live in a vacuum. Do the Liberal Democrats support what Labour proposes? We do not know. John Farquhar Munro illustrated problems in his area, but we have not heard anything else from a party that says that business is getting a hard deal but voted for the business rate increases.

On tourism, it is a scandal that the area tourist board report has not been published when the ministers know what is to happen. Does that mean that we will lose the ATBs, which are primarily business based? In Stonehaven, which is local to me, 90 per cent of the money that the group Stonehaven ... It's Special uses is raised from the industry. The 10 per cent that came from the Government has been withdrawn. Is that how we take tourism seriously? I doubt it.

Let us consider the north-east's economy, especially fishing and fish processing. There is no help at all for fish processing companies to amalgamate or to dispose of premises as they downsize. There is nothing for the service industries.

The rural economy will get a bit of help from broadband. We will put some extra money into that to ensure that it gets into rural areas. However, why is the Executive closing down the Scottish Agricultural College's campus at Craibstone, which is a fundamental support for the farming community and an expert centre? We have fought hard for the Food Standards Agency Scotland to be based in the north-east, but the Executive is taking its work out of the north-east and bringing stuff down to Edinburgh. That is completely against Government policy. It is an absolute nonsense.

We have heard nothing from the Executive this morning that will inspire people to start new businesses. Without new businesses, we are in deep trouble. In Scotland, 90 per cent of the working population works for firms with fewer than 10 people. Such businesses are our future—that is the reality. Nothing that we have heard from the two Government parties in the past four years is inspiring indigenous businesses to take risks. The two parties that are currently in power do not understand risk and, when SNP members say that

profit is an evil word, that means that they are against it.

Stewart Stevenson (Banff and Buchan) (SNP): No—absolutely not.

Mr Davidson: The SNP wants all jobs to be in the public sector. It does not like PPP, because somebody might make a profit and reinvest in training and so on.

Stewart Stevenson *rose—*

Mr Davidson: It is probably too late for me to accept an intervention.

It is always a delight to come to the chamber and to listen to the nonsense that comes from Labour members, totally backed up by their humble friends, the Liberal Democrats, who have not uttered a word against anything that ministers have said on the economy in four years. The Liberal Democrats are tarred with the same brush, whether they like it or not.

I am still waiting to hear from the SNP, particularly its representatives in the north-east, how it would turn the economy around. We have heard nothing about the new fishing plan and nothing about—

The Deputy Presiding Officer: I must hurry you, Mr Davidson. You keep breaking new ground.

Mr Davidson: I will wind up simply by saying that we have not heard anything from the other parties this morning that will inspire anybody to invest in a business in Scotland.

11:26

Mr Kenny MacAskill (Lothians) (SNP): Listening to the Minister for Enterprise, Transport and Lifelong Learning, I was reminded of Harold Macmillan's phrase:

"You've never had it so good."

My colleague Andrew Wilson ably showed that that is not the case, from the point of view either of people in our society as a whole or of the business community. The other Harold Macmillan phrase that springs to mind is his criticism of the Tories for selling off the family silver. That reference was used against a Tory Government, but it could equally be used against the current Lib-Lab Administration, which is selling off schools, hospitals and other parts of the public sector and leaving us to pay for years to come.

Mr Davidson will be keen to know that we support an aspect of public-private partnership: the harmony that must exist between the state and the private sector in driving forward our economy. We recognise that the dynamo for the economy will be the business community. However, the state has a clear and pivotal role in providing the

transport and telecommunications infrastructures and the skills.

As I and other members have said before, it is not the responsibility of an employer to ensure that a worker is literate or numerate; that is the responsibility of the state. It is not the responsibility of the employer to ensure access to broadband; that is the responsibility of the state. It is not the responsibility of the employer to ensure that goods can be taken to market; it is the responsibility of the state to ensure that we have adequate road, rail and other networks. That is where PPP has to come in, not in the context of selling off our schools and hospitals.

Rhona Brankin: Will the member give way?

Mr MacAskill: Not at the moment.

We must recognise that we have to go for growth. It is fundamental that we have a consensus. Nobody owes us a living. We are a small nation and we must recognise that we have to punch our weight. Sadly, we have not been punching our weight and people in all strata of our society have paid a price for that.

Transport impacts and impinges on our arguments for cutting business rates. We are a small, geographically peripheral nation that is distant from its markets. We have a difficult terrain on our mainland and we have remote island and Highland communities. We must provide adequate transport and telecommunications infrastructures and we have to punch above our weight in many areas if we are to compete. We have not been competing because we have not been punching above our weight. We must take that fact on board.

The problem has mainly derived from the stop-startism that is reflected not just in the UK economy, but in how the UK has dealt with transport policy. That approach continued even under the Labour Government down south after 1997. Prescott came in and stopped road building; we passed through Byers and we are now at Darling, starting again. There has been an on-going, stop-start, rail-in, rail-out, buses-start, buses-stop policy. That cannot go on. We require instead to build a consensus to move forward.

One criticism that is levelled at the SNP is that there would be a lack of stability if we came to power. However, the current situation is inherently unstable. At present, we have control over roads, but not over rail. We control the Highlands and Islands flights, but not international flights. Those two matters are inherently unstable. We must be able to deal with international flights as much as we can protect Barra. We must be able to deal with rail as much as we can deal with road, because both are equally important in punching our weight in the 21st century.

Ms Alexander: Although I am mindful not to misquote anyone, does Kenny MacAskill stand by the direct quotation attributed to him by a newspaper in which he said that he wanted to acquire the real assets of ScotRail on a cost-neutral basis, independent of any valuation that may have been made?

Mr MacAskill: The company has said that it has a car pool and an office building. It does not own one train. That may come as a surprise to the minister, but the trains are leased and leases can be taken over.

Yes, we wish to take the ScotRail franchise back, because privatisation of the rail network has been an unmitigated disaster. To its credit, Labour in London has taken Railtrack back into the public sector as Network Rail. The next logical step is to take the ScotRail franchise back into the public sector and to integrate it with the Strategic Rail Authority and Network Rail in Scotland. That would provide not just a better service, but cost savings, because we will stop the proliferation of situations in which three people in three organisations are doing the same job. I must say that there is a great deal of sympathy among the minister's back benchers about where we want to go with that idea, never mind among the trade unions.

We must decide where we are going as a nation. We must have a partnership between the business community and Scotland. However, we must recognise some of the fundamental aspects of the matter. As we come to the end of this four-year session of Parliament, it is no good continually to make excuses or for Labour to say that it has had insufficient time and that it was all Margaret Thatcher's fault. The fact is that this session of Parliament is drawing to a close. We should draw a line under it and decide where we want to go.

The Deputy Presiding Officer: I ask the member to wind up his speech.

Mr MacAskill: I am just winding up now.

We must stop making excuses, we must start taking responsibility and we must release our nation's potential. I support the SNP amendment.

11:32

Bristow Muldoon (Livingston) (Lab): I congratulate Kenny MacAskill on getting the slogan in at the end of his speech.

The economy is undoubtedly the central issue in the forthcoming election campaign. The Labour party recognises that. It also recognises that the need to increase the growth rate in the Scottish economy is the most important matter that faces Scotland. In my speech, I will highlight transport,

but, before I do that, I will consider some of the economic fundamentals on which we are building that base.

Those fundamentals are sound, contrary to the criticisms that some members have made. We have the lowest interest rates since the 1950s. We have the lowest unemployment rate since the 1970s and we have steady, low inflation. Those are good building blocks for the economy. Government debt has been reduced considerably from the levels that were inherited from the Conservatives. That has enabled the Labour Government at Westminster to increase the resources that are available to us so that we can invest in public services. By Andrew Wilson's admission, he expects those resources to continue to grow in the next session—presumably because he expects Gordon Brown's sound financial management of the economy to continue.

Mr Davidson said that he was barracked when he talked about wealth creation. That happened not because we do not believe in wealth creation, but because of the Conservatives' appalling record in delivering it when they were in power. That is not just my view. The Conservative leader Iain Duncan Smith said that, during that time, businesses went to the wall, the Conservatives broke their pledges on taxes, there was negative equity on homes and the public felt hurt. Until the Conservatives in Scotland recognise that, they will go nowhere. They will be no threat in the forthcoming election, so I do not intend to spend any more time dealing with them today.

As a result of the previous Scottish elections, the second-biggest party in the Scottish Parliament is the SNP, which undoubtedly represents a threat to the people and economy of Scotland. The SNP is trying to sneak in independence by the back door. In future speeches from SNP members, I would like them to set out for the people of Scotland their budget for independence and what cuts in public services would be required to pay for the infrastructure of the independent state that they propose.

Andrew Wilson: Will Bristow Muldoon apologise to the people of Scotland for the fact that in the white paper that led to the establishment of the Scottish Parliament the Labour party made up the figure for the cost of the new Scottish Parliament building?

Bristow Muldoon: I will not apologise for the Scotland Act 1998, which has brought power closer to the people of Scotland and unprecedented investment in the public services of Scotland. I am proud of that. I thought that the SNP got behind our proposals at the last minute and campaigned as Johnnies-come-lately in the devolution campaign, but perhaps I was wrong about that.

Stewart Stevenson: Will the member give way?

Bristow Muldoon: Not at the moment, thank you. I have only five minutes.

The SNP needs to explain what cuts it would make to public services and what higher taxes it would impose to pay for the costs of independence.

I have addressed the two Opposition parties and I now wish to concentrate on one area where the Parliament can have a major impact on our economic prospects, which is transport. On "Good Morning Scotland" this morning, I heard John Downie of the Federation of Small Businesses in Scotland talking about the FSB's manifesto launch. When he was talking about issues that he believed the Parliament should be addressing, the first item that he mentioned was investment in transport infrastructure. That backs up evidence that the Scottish Council for Development and Industry gave to the Transport and the Environment Committee last year, when it identified transport as one of the key issues in surveys of its members. The business sector recognises transport as an important contributor to the Scottish growth rate.

On the actions that we have taken, I will concentrate on the key drivers of the Scottish economy—the city regions around Edinburgh, Glasgow and Aberdeen. I apologise to the Highlands and Islands, because I will not have time to talk about that area in detail in the limited time that I have.

In Edinburgh and the Lothians, we have had the introduction of the cross-rail project. We have seen the successful introduction of park-and-ride projects, including the Ferrytoll project. This year, we will see enhanced rail capacity in Fife and West Lothian. We have dedicated resources to invest in the tram network and links to our airports.

In Glasgow and the west, we have been completing several key parts of our motorway network, including the M8 and the M74, and we are committed to a rail link to Glasgow airport. Extra resources are being provided for Strathclyde Passenger Transport. Moreover, new rail lines, such as the Larkhall to Milngavie link, and extra capacity on the East Kilbride line are forthcoming.

In Aberdeen, the Executive has given a commitment on the peripheral bypass road and has given development funding to the cross-rail project. Scotland-wide, we have made a commitment to £3 billion of transport investment over the next 10 years. As the minister said, under the Executive's plans, £1 billion a year will be spent on transport by 2006.

The economy must be central to the political debate in Scotland over the next five years and

transport is an important aspect of that debate. The Executive and the Labour party, in the election campaign, will recognise that. My appeal to the other parties is that, if they are going to engage maturely in the economic debate, they should be honest about the cost of their plans.

11:37

Alex Neil (Central Scotland) (SNP): If there is a theme to the Executive's contribution, it is that of déjà vu. I am old enough to remember the 1962 Toothill report, which I sat in my pram and flicked through in great detail. It outlined all the infrastructure plans for the future of Scotland and what we needed to do. Harold Wilson was Prime Minister and Michael Noble was Secretary of State for Scotland. Throughout the rest of the 1960s, and through the 1970s, the 1980s and the 1990s, we heard the same old story about how we would sort out the growth rate, how we would get the infrastructure and how Scotland's economy would eventually grow to the same level as the UK economy. We were told that that would happen, but that we had to take the long view. We have taken a 40-year view but, after 40 years, the gap between the UK growth rate and the Scottish growth rate is not closing; it is getting bigger almost year on year.

We have had 40 years of unionist failure under the Tories, then under Labour, then under the Tories, then under Labour, then under the Tories and then under Labour again. No matter which has been in office, the reality is that we in Scotland have never been in power in terms of controlling our own affairs.

Only an idiot would not welcome the vast bulk of what Iain Gray outlined. Of course it is right that we are investing in broadband. Of course it is right that we are investing in skills, higher education and all the rest of it. However, no matter how good the microeconomic policy, if the macroeconomic policy is running against that tide, the microeconomic policy will never succeed.

Bristow Muldoon rose—

Alex Neil: Talking of micros, I give way to Bristow Muldoon.

Bristow Muldoon: I thank Mr Neil for that kind reference. Does he agree with the SNP's policy in favour of the euro or does he advocate an independent Scottish pound instead of the euro?

Alex Neil: My views on that are well known and I have no need to repeat them.

I will give a good, serious example of why I believe that economic and financial independence is so important. If the Scottish Parliament were an independent Parliament, I honestly believe that, instead of spending between £250 million and

£300 million on the unjust war in Iraq, which is roughly our share of the cost, the Parliament—including, I suspect, most Labour members—would want to use that money for international aid. That is the kind of choice that an independent Parliament could make. Independence is not just about economic choices; it is about morality and, as I am sure Tom McCabe will remember, what Nye Bevan called the language of priorities.

Mr Tom McCabe (Hamilton South) (Lab): I am sure that Mr Neil has the greatest respect for the Scottish electorate. Will he explain to us why, if the apparent failure that he mentioned has lasted for more than 40 years, his party has failed to convince the Scottish electorate of that alleged failure?

Alex Neil: There is no doubt that the majority of Scottish people are still not in favour of independence but, after all, it took many years for the Labour party to convince people about socialism. Once it had done that, Labour abandoned socialism.

We live in a democratic society. The position of the Scottish National Party has always been the same. We will not achieve our objective of independence until the majority of Scottish people are prepared to vote for it. I do not know when that will be and Tom McCabe does not know when that will be, but the one thing that I am sure of is that independence will come. As Rabbie Burns said,

"For a' that, an' a' that,
It's comin' yet for a' that".

In my final minute, I want to make two points on the economy. I return to the micro agenda that Iain Gray outlined. Although all members, with the possible exception of the Tories, would agree with the vast bulk of what he said, there is an issue about the scale of investment. Let me take the example of higher education. It is true that in Scotland we are spending 20 per cent more per head on higher education than is being spent south of the border. However, we are still spending 30 per cent less per head than our competitors in the Organisation for Economic Co-operation and Development countries are spending. Until we judge and benchmark ourselves against the best, rather than the worst, we ain't ever going to lift ourselves out of the mire of low growth.

Interest rates are a good example of macro policy. The United States interest rate is a third of the Bank of England's interest rate and interest rates in Europe are a third less than the Bank of England's interest rate. We will not be able to compete unless we get monetary and fiscal policies that allow us to do so. That is why I believe that the Bank of England is not the bank of Britain. It is not only the Bank of England; it is the

bank for England. Until we change that, we will go on having low growth for the next 40 years and we will be here in 40 years' time—I certainly hope to be here then—making exactly the same speeches that look to the longer term.

11:44

Marilyn Livingstone (Kirkcaldy) (Lab): I hope that Alex Neil will have achieved retirement in 40 years' time.

As someone who has been a member of the Enterprise and Lifelong Learning Committee for the whole parliamentary session, I am proud of the contribution that the Parliament has made to shaping a skilled Scottish economy that is capable of coping with the current difficulties in the global economic market and a Scotland that is ready to capitalise on the opportunities for enterprise in the future. I believe that the devolved Parliament has meant that the political contribution to shaping Scotland's economy has been greater than before and more matched to Scotland's needs.

I am pleased that the Scottish Executive has made it clear that it is making economic growth a priority. Scotland already benefits from high employment, but we need to ensure that that contributes to greater economic growth and that we get even more people back into work. Such aims are a far cry from the days of the Tories, who claimed that unemployment was a price worth paying. That was certainly not the case for the people in my area, many of whom, thanks to the Tories, lost their jobs, especially in the coal-mining industry.

Labour has got people back into work. People have been given the pride that comes from sustaining themselves and their families and from raising their aspirations. Labour recognises that our current rate of economic growth is, as the minister said, not good enough and does not match our aspirations for our country. We have put in place infrastructure and investment to change that.

Our partnership with the Labour Government in Westminster has provided us with economic conditions that we could only have dreamed of a decade ago. We have low unemployment, low interest rates and low inflation. Like Bristow Muldoon, I have every faith in the Chancellor of the Exchequer and his economic policies.

I take this opportunity to thank Iain Gray for his recent visit to my constituency to discuss with Fife Council and Scottish Enterprise their action plan for an economic and social strategy for Kirkcaldy and its travel-to-work area. I thank the Executive for agreeing to continue to support that strategy. We need to ensure that the increase in tourism from the Zeebrugge ferry benefits everyone who lives in Fife.

I believe that the Executive has the right strategy to create economic growth, as the strategy invests in enterprise, education and our people. In my constituency as in others, we can now see a learning environment from which young people and those returning to learning are benefiting.

We know that the best way for Scotland to compete is by improving the skills and knowledge of our people. We are capitalising on that by investing in the new technology institutes, which Richard Simpson mentioned. The technology institutes will turn good ideas into good business and they are one of the things that Alex Neil and other members of the Enterprise and Lifelong Learning Committee, including me, have said that we need. That is now being done.

By expanding the modern apprenticeship schemes, we will ensure that our people have the skills that they need for the modern workplace. By rolling out education maintenance allowances, we may be able to do even better than at present by getting more than 50 per cent of our students to continue into education—whether that be further or higher education, academic or vocational.

As the minister said, there is no quick fix. Only last week, we showed our long-term vision to create a strong economy in Scotland through encouraging enterprise education in our schools. Last week, the Enterprise and Lifelong Learning Committee heard at first hand from primary school children who showed their enthusiasm for the project. The programme is working. As we have heard, the Executive has announced that it is working with entrepreneurs, including Tom Farmer, on our enterprise programme so that education for work and enterprise will be embedded in every school in Scotland from primary 1 to secondary 6.

Our commitment to investment in skills, in our people and in enterprise is a sharp contrast to the approach of the Tories and the SNP. They would cut investment in training and enterprise schemes for the short-term electoral benefit of cutting business rates. That is not the way in which to build long-term prosperity for Scotland and it is not a responsible way in which to meet the challenges that we face. It is typical of the Opposition's opportunism.

Andrew Wilson: Will the member give way?

Marilyn Livingstone: I am in my last second.

Such opportunism will ensure that those parties remain in opposition. Scotland needs to make progress away from the Tory days of economic underachievement. Scotland cannot afford the economic turmoil that nationalist constitutional wrangling would bring. There is still much more to do, but the Executive has put forward the right strategy for the Scottish economy in the years to

come. I am confident that the Scottish people will recognise that and that they will reap the benefits when we continue in the next session of Parliament to put into practice our blueprint for success.

11:49

Michael Russell (South of Scotland) (SNP): I commend to the Parliament the speech of my colleague Alex Neil, not only because of the style in which he delivered it but because of the analysis that he provided.

I will start by using part of his analysis, which referred to the difference between micromanaging things and having the ambition and vision that will achieve the goals that have been set. The Executive, particularly under First Minister Jack McConnell, is an Executive of micromanagement; it spins small solutions that have little to do with the whole problem, but it dresses them up as if they were big ideas. If there is an example that one might use in this debate, it lies in one phrase in the Executive's motion, which refers to

"the introduction of education for work and enterprise for every pupil at every stage of school".

What a grand statement. Marilyn Livingstone just expanded on it by saying that that idea would be at the heart of education from primary 1 to S6. How? The Executive does not explain that in its motion, so let us ask how it could be done. I shall start with the five-to-14 curriculum, which represents the basic guidelines for education for that age and stage.

In the paper that the Minister for Education and Young People presented to the Parliament in response to the great debate, she accepted something that is well known throughout education and that we have been talking about for two years: the five-to-14 curriculum is massively overcrowded. Every teacher and parent will say that we need to deconstruct that curriculum before we can have effective primary and early secondary education.

We also know that the curriculum is massively overcrowded because attainment figures tell us so; we know that many young people are not meeting the literacy and numeracy attainment targets. How is education for work and enterprise to be introduced into the five-to-14 curriculum without knocking something else out of it or without overcrowding it even more? The Executive has no answer to that.

I will go further. How is education for work and enterprise to be introduced into the post-five-to-14 curriculum? How is it to be introduced into the standard grade and higher still years? Is it to be a subject? If that is the case, where are the proposals for that? If it is not to be a subject but is

to be taught along with other generalities such as social and moral education, how is it to be taught? The Executive has given no answer to that.

The reality is that although the idea might have some merit, it is being promoted as if it was the solution to the problem. We have heard the solution to the problem from my colleagues Andrew Wilson and Alex Neil. They gave the correct analysis of the political problem in terms of Scotland's growth rate and dismal performance for several generations. We then heard from them the solution to tackle the problem in our growth, but we heard none of that from the Executive. We have heard instead about micro-measures that are dressed up as solutions.

The education situation is grim. If we are to have a smart and successful Scotland, it must be based on literacy and numeracy, which are the basic skills that people require to go anywhere and on which are built the skills of thinking and learning. What is the reality under new Labour? The reality under new Labour is that those skills are not being achieved by 50 per cent of our young people. New Labour can build all the castles in the air that it wants and it can create spin about all those micro-measures. New Labour can talk about education for work and enterprise as if it is "nirvana"—to quote Helen Liddell—but the reality is that we can achieve none of that unless we have an education system that works and which is based on the basics.

Marilyn Livingstone: Michael Russell says that he wants to support increased investment in skills, and I hear what he is saying about primary education and further and higher education. He talks about wanting to increase investment in skills, but how will he square that with cutting £150 million from the agency that helps to deliver vocational education, training and skills? That is a question.

Michael Russell: I know it is—I recognise a question when I hear one.

As my colleague Andrew Wilson said, we will not do that. I was talking about something else that we should be focusing on. Before people get to acquiring skills in later life, they have to be able to read, write and count. If we have an education system that does not achieve those aims for 50 per cent of Scotland's young people—

Iain Gray *rose—*

Marilyn Livingstone *rose—*

Michael Russell: Let me finish. If our education system does not achieve those aims, it has failed. By that definition, the Executive has failed in the past four years and, indeed, the past six years.

Marilyn Livingstone *rose—*

Michael Russell: I am winding up.

The reality of the situation is that the Executive has come to the chamber, as it has done repeatedly over the past four years, with either applehood and—[MEMBERS: "Mother pie?"] Indeed. My emotions are getting the better of me; I have never had mother pie, but there is still time.

The reality is that if the Executive continues to come to the chamber with such motions and ideas dressed up as solutions, it will continue to fail Scotland. That is why my party and I look forward to 1 May and the start of something new.

The Deputy Presiding Officer: We are now behind time, so I ask the closing speakers to respect the time limits.

11:55

Nora Radcliffe (Gordon) (LD): I hope to God that I can get through my speech in that time.

Iain Gray painted a picture of the background of stability, and outlined the sorts of things that we want to do to grow and strengthen the economy, such as skills training and investment in intermediary technology institutes. He highlighted the fact that half of our young people are now going into higher or further education, but perhaps we need to consider rebalancing that. As the head of one college put it to me, "We should be turning out A-class craftsmen, not B-class academics." That should be examined.

Reference was made to the move from low wage to high skill, and the importance of infrastructure—road, rail and air, but also broadband and the national grid—in opening up opportunity. Andrew Wilson said that he agreed with the approach and the direction; he said that they are all the right things to do, but they have not yet taken effect and we are not hitting the targets. He then said nothing about what the SNP would do differently, aside from being independent and tackling business rates. That was the only positive thing that he said. I do not see where he moved the argument on.

I take exception, however, to one of his throwaway remarks. He described Scotland as "Glasgow ... Fife and beyond": that betrays the central-belt bias that has crippled some economic developments in Scotland. What about Grampian? What about Inverness? Andrew Wilson talked earlier in relation to the UK about the pull towards London, but we in Scotland have a pull towards the central belt. We must fight continually against that centripetal force. It can and should be done.

Oh, dear—I was so depressed when Annabel Goldie had finished, because she presented a picture of unrelieved gloom. I will pick out two things from her speech. First, she failed totally to

say what the comparison north and south of the border would be if she multiplied the rateable value and the rate poundage. Secondly, she outlined the cost of Scottish Enterprise to the individual taxpayer and said that she would take money from Scottish Enterprise and put it into the Prince's Scottish Youth Business Trust. However, that money also comes from the taxpayer, so she would not lighten the burden on the taxpayer. She might put the money where it can be put to better use, but that would not cut the burden.

Tavish Scott sketched the global background and what might be called the collateral damage of the war in relation to management of global trade and the European dimension, which are important because they impact on what happens in Scotland and have widespread implications. He outlined direct and immediate implications for tourism and oil and gas, which are important sectors. He also referred to renewable energy; our natural resources and engineering excellence are obvious areas of potential for us. Tavish Scott said that the job of Government is to supply the framework and that business will do the business. Innovation and niche markets are important. Tavish Scott also mentioned the power of the supermarkets and whether that power benefits or damages primary producers. He referred to investment in skills, training and education and to better integration between schools and work.

Alex Fergusson (South of Scotland) (Con): In this interesting wander round the houses that Nora Radcliffe is giving us—

Nora Radcliffe: It is a wander round the debate.

Alex Fergusson: Or a wander round the Parliament. Could Nora Radcliffe tell us what is the Liberal Democrats' policy on enterprise? Is it simply to follow slavishly where Labour leads? We have not heard from any Liberal Democrat speakers what their policy is.

Nora Radcliffe: We touched on aspects of policy. The underlying theory is that Government exists to provide the infrastructure, and business will do the rest. We are not thirled to ideology and we are not—[*Interruption.*]

The Deputy Presiding Officer: Order. One speaker at a time, please.

Nora Radcliffe: We are not thirled to thinking that only one party has good ideas. We are looking for consensus in Parliament that will move the whole of Scotland forward. That is reflected in the set-up of the Parliament—it is what proportional representation ought to deliver.

Richard Simpson illustrated—using examples from his constituency—how we have moved from low pay to high skill, which has been backed up by technology, research and development, design,

good management and the virtuous cycles of business and academia. Those are all important.

Fergus Ewing highlighted the rural economy, but he was a bit savage about what has been achieved. I happen to have before me the statistic that there have been 579 rural transport developments in the past four years; two weeks ago, there was major investment in the A96 and Newtongarry climbing lane. He spoke about pharmacies and the Office of Fair Trading report, which has been squashed. He also spoke about benefits being paid through post offices; we have banking facilities in post offices now, so we have managed to do something about that. I agree with him about our going into the euro zone.

John Scott underlined the impact of global events on local economies. Wendy Alexander did a fairly clinical dissection of SNP policies. John Farquhar Munro mentioned the Skye road bridge tolls and I say, "Well done," to him for that.

Adam Ingram made a comparison of growth of the economies between different small companies. Percentages are fine, but they mean nothing unless one knows what the baseline and the total volume are. He also mentioned the drain of capital and labour to London and said that the union is stifling Scotland.

I take exception to David Davidson's criticism of Aberdeenshire Council's council tax—it is still among the lowest in Scotland and that council has one of the most efficient service delivery spends per capita—public services are very good in Aberdeenshire.

We heard about the business rate myth again. The fish processing sector has not yet spent all the money that was allocated to it by Rhona Brankin. The Craibstone closure is a Scottish Agricultural College board proposal, not a Scottish Executive proposal.

I say to Kenny MacAskill that hospitals and schools have always been funded by borrowed money that must have interest paid on it. The mechanism might change, but the underlying reality does not. I agree with him that the Government's role is to supply infrastructure.

I commend Bristow Muldoon for mentioning the fact that Aberdeen is one of the drivers of the economy. Alex Neil agreed that the Scottish Executive is doing the right things, but that the macro would squash the micro. Would not that apply to an independent Scottish economy? Mike Russell had small solutions and big ideas—

The Deputy Presiding Officer: Mrs Radcliffe, I really do not have any more time to give you.

Nora Radcliffe: I have two more sentences. The Opposition can make sweeping statements, but the Government must take incremental steps

to get there. I agree with some of what Mike Russell said about education, but the foundations and basic competence in reading, writing and counting come at the earlier learning stages where much is happening in reducing class sizes, on early intervention and in nursery education.

12:02

David Mundell (South of Scotland) (Con): I do not quite know how to follow that speech.

There have been some good debates about the economy of Scotland—most of which have been instigated by Opposition parties—but no one could say that today's debate has been one of them, because it has reflected tiredness among the members who are present. Members have set out their stalls; it is time for the electorate to decide because we will not convince one another.

We have nearly convinced the Labour party that transport and the economy matter. We have convinced it to the extent that ministers make statements about it—three years and 10 months into the Parliament, the Minister for Enterprise, Transport and Lifelong Learning says that transport and the economy are inextricably linked. The Labour party obviously thinks that the topics are important, otherwise we would not have had the string of announcements over recent weeks, days and hours about them.

What is at the heart of the problem of transport and the economy in Scotland is that one cannot sit by and do nothing—for six years, as with the UK Labour party, or four years, as with the coalition Government—and then spend only the last three months of the session of Parliament saying that transport and the economy are important. I give credit to Iain Gray because he made no pretence of believing the statement that he read out earlier, although his maths is cause for concern for all of us if he thinks that £100 million is 1 per cent of £1,000 million.

I would not like Andrew Wilson's speech to be his valedictory statement to Parliament, although he has at least contributed to the debate. I do not often agree with him—in fact, I rarely agree with him—but he has added something to the debate, as has Ms Alexander, who again showed that her being on the back benches is a waste. However, her clinical analysis would be well used on analysing her Liberal Democrat coalition colleagues' policies. We now know what that party's economic policy is—it will abolish the tolls on the Skye road bridge. That was its policy at the previous election but, after four years, it has still not achieved it.

Tavish Scott: The member is talking about matters of detail, so will he tell me specifically what his party's policy is with regard to Highlands and Islands Enterprise?

David Mundell: Our policy is to cut the budgets of both Scottish Enterprise and Highlands and Islands Enterprise. We believe that there are hard choices to be made about whether we want to upgrade the A9 and A82 or spend money on administration. Tavish Scott might want to put out a press release about how shocked he is about the level of administration charges in Highlands and Islands Enterprise—he is happy to raise the matter in the Enterprise and Lifelong Learning Committee—but now he is rushing in to defend HIE. I am happy that the Labour party and the Liberal Democrats defend Scottish Enterprise and Highlands and Islands Enterprise as they go into the next election. I say to Alex Neil that we have the detailed figures and he will be able to read them in the weeks ahead.

Andrew Wilson: I am grateful to Mr Mundell for his kind words, and also for giving way. His front-bench spokesperson, Murdo Fraser, said that the Conservatives want to abolish Scottish Enterprise, but Mr Mundell says that they do not. Perhaps he can tell us why. Has Mr Fraser been sacked for saying something that is not politic?

David Mundell: Andrew Wilson usually has a wider perspective on the political process than that. As he well knows, and as I explained to Mr Gray, Mr Fraser submitted that view in the policy formulation process that takes place in all parties. He is perfectly entitled to it, but it is not the policy of the Conservative party. In the SNP, in the Liberal Democrats and in the Labour party, we see people who have a wide range of views on all sorts of issues, but they are not the views that appear in party manifestos.

We would not abolish Scottish Enterprise and we would not cut its skills and training budget because we believe that it should be a skills and training organisation. I say to Mr Neil—who will in all probability be coming back in the next session of Parliament—that what we do not believe is that SE should be a source of funding for consultants.

Alex Neil: I totally agree, now that I am no longer a consultant.

Will Mr Mundell please tell us the breakdown—Miss Goldie was unable to do so earlier—of the £268 million? For instance, will the new technology institutes be safe? Will the £80 million that was to be spent on bureaucrats all go?

David Mundell: As Mr Neil knows from the Enterprise and Lifelong Learning Committee, it has taken a great deal of time to elicit information from Scottish Enterprise. However, using its budget headings, we would cut £70 million from growing business, £71 million from global connections, zero from skills and training and £26.57 million from people and programme delivery. We understand that those are cuts in the

SE budget, but we believe that the money can be better spent and that it will have a better effect on the Scottish economy if it is deployed to cut business rates and improve transport. We are happy to argue that case and we are happy to argue against the firestorm of argument that says that we would somehow cut skills and training. We are committed to skills and training because they are at the core of the Scottish economy. The people who stand up to defend the current enterprise organisations are committed to consultants and to a bureaucracy that produces no jobs. The system has not worked and it is not working. It is time to change it—the Conservatives will do that.

12:08

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I begin by reflecting on some comments that were made by other members. John Farquhar Munro obviously had an off day, because he got seven minutes into his speech before he mentioned the tolls on the Skye bridge. I would have thought that he would, after four years, have stopped drawing attention to yet another Liberal commitment that has not been met.

I would like to pick up on a point that Iain Gray made about the difference between rates in Scotland and those south of the border. He said that the fact that we have an increased poundage means that the rates end up the same, because we have lower rateable values. However, for many businesses that is not the case; the rates for many small hotels and similar enterprises are based on turnover, so their rateable value is not lower than it would be in England and their total bill is higher. The method of valuation for various types of large plant has been harmonised throughout the whole United Kingdom, so having the same rateable value in Scotland means that such businesses pay higher rates bills. An increased tax rate increases costs, which is what businesses are rightly concerned about.

Richard Simpson was right to highlight success stories in his constituency. He said that we must ensure that we build, develop and retain successful businesses in Scotland. However, one of the major problems is that we do not, under the current system, retain many such businesses. He made a jibe about the SNP's "People not profit" poster. However, he knows very well, as Fergus Ewing also pointed out, that that poster refers to the excess cash that is being paid under PFI contracts because the interest rate is 3 per cent to 4 per cent higher than the rate at which the public sector would normally borrow. I concede that profits are at the heart of business; however, it was Dr Simpson's party that, in 1997, introduced a windfall tax on excess profits—he is clearly familiar with the concept.

Iain Gray tried to tell us what the growth statistics would be if the electronics sector were taken out of the picture. Apart from the obvious point that figures can show anything when one begins to fiddle about with them, the fact is that energy and water, engineering, textiles and clothing, and chemicals and petroleum products are still in recession in Scotland while sectors such as financial services, metal products, food, drink and tobacco, agriculture, fishing, forestry and mining and quarrying are not yet in recession but are producing less than they did this time last year. As a result, the matter is not just about electronics.

Scotland's economy has a real problem. I know that such comments bring cries from the Labour benches that we are talking Scotland down—anything that challenges the orthodoxy that all is well in the best of all possible worlds does not go down well with the comrades. However, we are not talking Scotland down if we acknowledge the facts and highlight essential solutions to problems. We talk Scotland down if we bury our heads in the sand because of an ideological hang-up that ties us to a political system and solution that has long outlived any economic utility that it might once have had.

Ms Alexander: Will the member clarify that, apart from support for "A Smart, Successful Scotland", the SNP's pre-manifesto statement contained one policy for the economy under devolution, which was a proposed cut in business rates that the nationalists have yet to tell us how they will fund?

Alasdair Morgan: Ms Alexander is right that the solution to turning Scotland's economy around does not lie in carrying on with the devolution settlement—that is the whole thrust of our argument.

We would be talking Scotland down if we acted like Labour members do and allowed our ambitions to become so limited that we can pretend that what we have is as good as it gets. If we compare our economic performance over the past 30 years to that of the UK, it is clear that we are falling behind. If we compare our performance to the rest of Europe's, the picture is even bleaker. The reason for that is simple: the UK's economic policies are geared to the south-east of England, not to Scotland. Apart from the ability to cut income tax by 3 pence in the pound or to set local business rates, we have no say at all in the level at which taxes are set. We cannot cut, or even increase, most of the taxes on business that would give our economy a competitive edge or boost growth.

Furthermore, to the extent that we are able to incentivise business and grow the economy with the limited tools that are at our disposal, most of

the benefits of increased revenues from a more buoyant economy would come not to our Minister for Finance and Public Services, but to the Chancellor of the Exchequer.

Bristow Muldoon: We were asked earlier to address the question of microeconomic and macroeconomic policy. Why do some SNP members favour a move from the central bank in London to a central bank in Frankfurt? After all, that would mean that policies would be dictated by the priorities of central Europe.

Alasdair Morgan: We will be interested in answering that question when we find out what Gordon Brown's policy is. At least SNP members have a healthy debate on economic policies, unlike the party in Scotland that takes its economic policies from the Chancellor of the Exchequer in London.

Growth matters. In the past five years, our economy has grown by just 1.4 per cent, which is half the rate of growth of the UK. As Iain Gray said, that is not good enough. If Scotland had merely kept pace with the rest of the island, we would have earned an extra £2 billion for public services.

Miss Goldie: Will the member give way?

Alasdair Morgan: No. I will carry on for a while and see how my time is going.

To make matters worse, Westminster also decides how much of our taxes we get to keep. The formula that it uses is based on our population, which means that as our population shrinks so does our share. Our declining population is not only an illustration of the failure of Scotland's economy over the past decades but an indication that, despite such a fall, we still need to support the same infrastructure. More than that, we must—in order to reverse the decline over recent years—invest in Scotland's ailing economy and in our transport systems and training to improve our infrastructure and skills.

The problem is that although Scotland is a rich nation we are not fulfilling our potential, because economic policy in the UK is designed for the overheating economy of London and the south-east instead of for Scotland. That has been a long-term problem and, as a result, Scotland's growth rate in the past 30 years has been among the lowest in Europe, despite the fact that Scotland is a wealthy country. As Alex Neil said, successive Governments have promised to address the problem, but we are still in the same mess. The solution is to put Scotland, rather than London, in control of the Scottish economy. If we were able to make decisions on the future of our economy and our country, we could give Scotland the power to compete. More competitiveness would mean more investment and jobs, higher living standards and

improved health and life expectancy.

Part of the solution is to reduce Government taxes on growth.

"We need to look at the tax regime in Scotland and make sure it properly takes Scotland's economic circumstances into account. The United Kingdom economy is doing well. Scotland's economy is not. Why are there these differences?"

Those are not my words. They are remarks made by the principal of the University of St Andrews following those that Adam Ingram quoted earlier. It is not as if small countries cannot be successful; indeed, small and successful countries are the norm within Europe.

The economy is not an end, but a means to an end. We all agree that Scotland's public services need to be improved, but few of us think that that improvement can be obtained by squeezing more revenue from the economy. We need to make a step change if we are to make the most of Scotland. The parties that are in charge of the economy have changed at regular intervals, as have the policies. If we try something for five or 10 years and it does not work, it is reasonable to try something else. However, I say to the other parties that, given that we have tried something for 40 or 50 years and it has not worked, it is no longer their turn.

Mr Monteith *rose—*

Sarah Boyack (Edinburgh Central) (Lab) *rose—*

Miss Goldie *rose—*

The Deputy Presiding Officer: The member is in his last minute.

Alasdair Morgan: Our economic problems and the missed opportunities that flow from them are not accidents and have not been arrived at by chance or as a result of one or two politicians occasionally picking the wrong policy. Our problems have structural causes and are inevitable because of Scotland's position and status within the United Kingdom. Only a Scottish Government and national Parliament with normal powers can begin to tackle the situation. The Westminster Parliament has controlled our economy and finances for 296 years, but that system is not working. In corporate language, it is time for a demerger; it is time for Scotland to build a new and better future. [*Interruption.*]

The Deputy Presiding Officer: Order. I think that some members are a little overexcited by the fact that the next debate is about football. Before we get to that debate, I call Peter Peacock to wind up this one.

12:18

The Deputy Minister for Finance and Public Services (Peter Peacock): The debate has been interesting. I want to make it clear that growth in Scotland's economy is top of our agenda. Growth provides people with jobs and the dignity and prosperity that come with employment, as Marilyn Livingstone said. Growth helps to fuel our ability as a nation to improve public services. It is vital that we achieve better growth, which is why the matter receives so much attention from this Administration. We have used our devolved powers effectively—I point out to Alasdair Morgan that we have had those powers for only four years—and in a way that complements the work of the Labour Government in the UK.

Andrew Wilson: Does the minister recognise that Scotland had administrative devolution of all the powers that we currently have and all the powers that the Executive has used before the Parliament was created?

Peter Peacock: That is a rather surprising point from Andrew Wilson. Alasdair Morgan's point was that there has been a consistent pattern of government for 50 years, but that is not the case. The Parliament has produced a change in the governance of Scotland, which will help to focus attention on the issues that require attention.

The stable economic conditions that Iain Gray and many other members have mentioned result from our being part of the UK. In turn, we have used our powers to increase the knowledge and skills of the work force; to improve attainment in schools and further and higher education; and to roll out educational maintenance allowances, the education for work initiative and 30,000 modern apprenticeships. We are using our powers to invest in and commercialise research and to invest in growing businesses—the very budgets that the Tories and others seek to cut from Scottish Enterprise—and in the infrastructure through which businesses in Scotland can flourish.

We have responded to calls from business to raise our transport investment and to secure that investment for the long term. We are delivering transport improvements that are designed to support growth in the same way that we are delivering the necessary investments to support the development of broadband infrastructure, which is another vital component of our drive for the competitiveness that in turn will drive growth in the Scottish economy.

Many members on this side of the chamber commented positively on the measures that we have taken and on the wider economic benefits of our membership of the UK. Members including Tavish Scott, Richard Simpson, Wendy Alexander, Bristow Muldoon, Marilyn Livingstone and Nora

Radcliffe commented on the importance of having such a stable economic environment. In contrast with those positive comments, the Tories offered us nothing in their contributions to the debate and they offer nothing to the nation.

Phil Gallie: Before the minister says more about the Tories, will he describe the specific infrastructure improvements that the Executive has achieved, as opposed to those that it aspires to achieve?

Peter Peacock: Mr Gallie has only to look around Scotland to find the improvements that Iain Gray listed in the debate. If he did that, he would see the improvements that are being made all over Scotland.

It is important that the Tory party's record of economic incompetence is held up for examination, because it left a lasting and bitter taste in all our mouths. The Tory party inflicted mass unemployment, crippling interest rates, high inflation rates and mortgages, and boom-and-bust economics on the country. It crippled our health service with bureaucracy and cut investment in our roads, schools and further education service—the very foundations in which we need to invest if we are to see economic growth. The Tory party strives, at the UK level, for £20 billion more cuts across the UK. It will destroy the enterprise network, as Annabel Goldie and David Mundell set out. The Tory party has nothing to offer Scotland; it is a small party that is declining further with every day that passes towards the election.

The SNP is struggling, as it always does, to make sense of its nationalist position. The SNP has but one idea—independence. When SNP members are out on the doorsteps of Scotland, however, they might try to disguise that idea because they know the Scottish people do not want it.

The SNP's convoluted amendment to the motion uses 38 words to try to disguise the party's plan for independence. Another SNP trick is to hide the word "independence" behind the label of fiscal autonomy.

Karen Gillon (Clydesdale) (Lab): Will the minister acknowledge that in the 9 minutes and 40 seconds of the SNP's final speech on the economy in the first session of the Parliament, it failed to use the word "independence" once? That idea is now referred to as a demerger.

Peter Peacock: Karen Gillon is absolutely right. The SNP uses a series of tricks to try to disguise its real intentions. As Wendy Alexander said, one of the SNP's main tricks is its hiding behind the label of fiscal autonomy.

Whatever the label, we should be in no doubt that the SNP's real agenda would bring a

barrowload of problems for Scotland. The SNP's central problem, which is why SNP members cannot come clean about it, is the fiscal deficit—the £5.4 billion black hole that is to be found at the centre of the SNP's financial plans.

Andrew Wilson: I am enormously grateful to the minister for giving way a second time. Does he recognise that the Scottish Executive's chief economist, in supporting the debate today, said that the figure that the minister quoted said nothing about independence and everything about devolution and how the current policy is working?

Peter Peacock: Yes. I recognise that. What the chief economist said holds out the prospect that the situation might be even worse. Within the devolved settlement, the position is that the £5.4 billion deficit is entirely manageable. Outwith that settlement, however, a problem of enormous proportions begins to loom.

The SNP's first defence is to tell us there is no such deficit. Some SNP members go so far as to claim that there is a fiscal surplus; they simply omit some figures and change the assumptions to get there. The SNP tries to go back in time to breathe life back into the money that was spent in the 1970s and 1980s. In believing that there is a surplus, the SNP stands completely alone in Scotland. No academic commentator who examines Scotland's Government revenues and expenditure over time believes that there is a fiscal surplus. Even the SNP's favourite economists, the Cuthberts, state that there is a deficit. The SNP had better believe it; the deficit is real. The most comprehensive analysis shows the deficit to be £5.4 billion.

Alex Neil: What is the UK deficit over which Gordon Brown presides? Is it not now in the order of £80 billion? If so, does that mean that the UK is not a viable proposition?

Peter Peacock: I will come to that point. It all depends on the scale of the deficit relative to the scale of the economy and the expenditure at home.

The analysis that shows that there is a £5.4 billion deficit—"Government Expenditure and Revenue in Scotland: 2000-01"—is widely regarded as the most comprehensive analysis of the fiscal position. No commentator disagrees with the broad thrust and conclusions of that analysis, which is widely recognised as a comprehensive and professional piece of work.

Not only is the deficit real, but the SNP plans to increase it through its wild spending promises, which we have heard in recent times. Real deficits require real actions. We must borrow cash to cover the deficit, cut services or raise taxes. The SNP pretends that we can ignore those three fundamental choices. The SNP says—as Andrew

Wilson said again today—that it would use fiscal autonomy to cut taxes, thereby increasing the deficit in the short term, at the very least, so that we would somehow have to trade our way out of trouble. What the SNP does not say is how long it would take us to trade our way out of such a huge deficit and to turn around what it claims are 30 to 40 years of low growth.

In the real world, as each year passed, the borrowing would rise. After just one session of the Scottish Parliament, more than £20 billion of debt would hang round our necks, turning money that we currently have for services into money to pay the interest on the rising debts that the SNP would force upon us. If the SNP had its way, at the end of the next session of the Scottish Parliament, close to £2 billion would have to be used to pay the interest, which would rise inexorably, forcing cuts in services to fund interest payments.

Dr Simpson: Before the minister moves away from the SNP, would he like to comment on the fact that Ireland—which has been mentioned often by the SNP in economic debates—has not been mentioned today? Could that be because the Irish are in deficit and are making cuts and because the inflation rate in Ireland is three times the average rate in the European Union?

Peter Peacock: Richard Simpson need have no fear: I am not moving away from the SNP—I have a bit more to say about it. He makes a good point about the Irish.

The nationalists claim that only fiscal autonomy can produce the right conditions for growth. However, we do not need fiscal autonomy to get the basic conditions right. We already have low inflation and low interest rates, and we have had them for some time. We have low personal taxation and the powers to alter that if we want to do so. We have a low corporation tax environment, compared with that of many of our competitors. We also have a tax credit system and incentives to work, and we have good labour market policies. All those things are provided by our place in the UK and the sound economic management of a UK Labour Government.

Many competitors would envy and dream of the fiscal conditions that exist here, and we have the power to do the rest of what is required—a fact that is recognised by all the key business organisations.

Mr Monteith: Will the minister give way?

Peter Peacock: I am afraid that I shall have to make progress.

We have the powers to address the key issues for growth within the stable economic environment that the UK provides. We have the powers to deliver the education and skills that Iain Gray pointed to—the crucial missing element in our

economy. We have the powers to invest in transport and broadband and the powers to invest in growing companies and in developing our public services. That is exactly what we are doing, through “A Smart, Successful Scotland”, through our transport strategy and other strategies and through our budget for growth.

It is that budget for growth that the SNP would immediately put at risk with its reckless policies. The SNP’s only real policy—the one that it tries to disguise and hide on the doorsteps—is to divorce Scotland from the UK. The SNP offers divorce and the fiscal deficit that would immediately follow it. It offers the extra cost of embassies and new departments of state and the cuts in public services, the tax rises and the crippling borrowing costs that would follow from that divorce. Let us be clear that it is not growth in the economy that tops the SNP agenda, but simply independence. That is the reckless path that the SNP seeks to take us on. The SNP is prepared to gamble our economic future and growth in public services; prepared to play poker with our personal care; and prepared to plunge Scotland into a future of risk and uncertainty. There would be risk to our public services; risk to our programmes for delivering economic growth; risk to our low interest rates; risk to our mortgage rates; and risk to our employment prospects. That is what the SNP offers: risk and uncertainty.

On this side of the chamber, in stark contrast, we stand with certainty of purpose within the UK, which gives us the economic stability that we require. We support the financial settlement that devolution gives us. It is predictable and secure and we have growing budgets, the conditions for economic growth that are provided by the UK, as I have described, and the powers and resources to build growth through investment in education, skills and infrastructure. The choice for Scotland is clear, but the people will trust those on this side of the chamber to be the Government, and they will be right to do so.

First Division Champions (Promotion)

The Deputy Presiding Officer (Mr Murray Tosh): The final item of business this morning is a members’ business debate on motion S1M-3999, in the name of Dennis Canavan, on promotion for the first division champions.

Motion debated,

That the Parliament believes that promotion to the Scottish Premier League should be based on footballing merit rather than arbitrarily set criteria that discriminate against clubs of modest means and therefore believes that the Scottish Premier League should ensure that the champions of the First Division of the Scottish Football League are given the opportunity of promotion to the Scottish Premier League provided they have guaranteed use of a suitable stadium, whether through ownership or lease or a ground-sharing arrangement.

12:30

Dennis Canavan (Falkirk West): I am grateful to the Parliamentary Bureau for providing time for the debate, and to the 73 members who signed my motion, which made it one of the best-supported motions ever in the Parliament. The fact that the motion is supported by a majority of members of the Parliament—members of all parties and none and members from virtually every part of Scotland—is an indication of the strength and breadth of feeling on the issue of promotion to the Scottish Premier League. It would, of course, be inappropriate for the Scottish Parliament to try to dictate to the SPL on that matter, but I hope that the SPL will listen to the views of the Scottish Parliament, which has responsibility for sports policy as well as other matters.

I do not want to be purely parochial. As the member for the constituency in which Falkirk Football Club is based, it is my intention to present the case for Falkirk FC. However, if Inverness Caledonian Thistle Football Club, for example, were to win the first division of the Scottish Football League, I think that it should also have the opportunity to put its case for promotion. I have no doubt that other members, particularly Fergus Ewing, might want to do that.

At present, Falkirk is top of the first division and Falkirk fans feel, understandably, that it would be a travesty of justice if their club were to win the first division championship but be denied promotion to the SPL. The club’s recent success has been due to the efforts of the players, the fans, the management and the board, who have achieved a remarkable turnaround in the club’s performance. Five years ago, Falkirk FC was on the verge of extinction when it went into receivership. I do not want to dwell on the

activities of previous boards, but any mismanagement was certainly not due to the current board, which came to the rescue and set about rebuilding the club to ensure its re-entry into the top flight of Scottish football.

Everybody accepts that Falkirk's present home of Brockville is completely unsuitable for the SPL. However, Brockville has been sold to Wm Morrison Supermarkets plc and the proceeds from the sale are to be invested in a new stadium. In partnership with Falkirk Council, Falkirk FC is in the process of building a community stadium, which will be not only a home for Falkirk FC, but an asset for the entire community; the stadium will provide a variety of facilities for sports and business, including a technicians training facility that will be a centre of excellence.

The stadium will be owned and managed by a joint venture company and Mr Colin Maclean, director of BP Grangemouth, has agreed to chair the board. The stadium will have a 10,000, all-seated capacity and will meet the SPL criteria. Members will have received a letter from Lex Gold, chairman of the SPL, outlining the history of and reasons for the SPL's decision to insist that all its member clubs must have a stadium with a minimum capacity of 10,000 seats. However, that decision has been questioned recently in view of the fact that few SPL matches—except those that involve the old firm—attract crowds of 10,000. However, as Lex Gold points out in his letter, the 10,000, all-seated capacity is also a licensing requirement of the Union of European Football Associations.

In the case of Falkirk FC, the new stadium will satisfy SPL and UEFA criteria, but unfortunately it will not be ready until this time next year. In the meantime, Falkirk FC has signed a contract with the owners of the Excelsior stadium in Airdrie for the use of that stadium until the new Falkirk stadium is ready. The Excelsior stadium also meets SPL and UEFA criteria and that is why Falkirk FC is asking the SPL to respond positively to its application.

Of course, that arrangement would involve a temporary ground-sharing agreement with Airdrie United, but I fail to see why that should present any great difficulty. Some of the biggest and most successful clubs in the world share football stadia. For example, AC Milan and Inter Milan share the San Siro stadium, and Lazio and Roma share the Olympic stadium in Rome.

It is also worth recalling that, a few years ago, Celtic was allowed to share Hampden with Queen's Park for a season while Celtic Park was being redeveloped. All that Falkirk asks for is the approval of a similar temporary arrangement to allow the club to be promoted to the SPL if it wins the first division championship this season.

The main criterion for promotion should be footballing merit. I accept Lex Gold's point that other criteria such as safety, public order and spectator comfort are essential, but Falkirk's proposals do not reduce safety, public order or spectator comfort. The interim proposal for ground sharing and the long-term proposal for the new stadium meet those criteria. I therefore believe that the SPL should accept Falkirk's application.

Falkirk Football Club has a long and honourable history, having won the Scottish cup twice. For many years, the club was in the top league of Scottish football. Like most football clubs, we have had our ups and downs. The club is now at the top of the first division and is one of only six clubs left in the Scottish cup. Everybody at the club has worked hard to secure a better future for it. It would be a fair reward for that hard work and success on the field if Falkirk won promotion as first division champions. I therefore urge the SPL to approve Falkirk's application.

The Presiding Officer (Sir David Steel): Nine members would like to take part in the debate, so the time for each speech will have to be three minutes.

12:37

Karen Gillon (Clydesdale) (Lab): I support Dennis Canavan's motion for several reasons. The first is that the state of Scottish football means that we must continue to encourage clubs that are not in the SPL to achieve. If a glass ceiling prevents those clubs from moving beyond the first division into the SPL and the glories of European competition, they are not encouraged to achieve and to invest in their clubs.

The issues that promotion to the SPL raises are numerous, but I will focus on two, the first of which is supporter safety. No members want anything to compromise supporter safety. On Sunday, we saw a game in Inverness at which Inverness Caledonian Thistle was easily able to cope with the visit of a member of the old firm for a result that went a particular way. Public and supporter safety was not threatened.

Promotion to the SPL requires a club to have a stadium with a capacity of 10,000. I understand why that requirement was set but, more and more, fans can watch live broadcasts on television and are less willing for various reasons—including the costs of transport and tickets—to travel to as many away games as they used to. Therefore, a capacity of 10,000 is not as necessary as it was when the requirement was set. We must consider capacities of 7,000 to 8,000 for stadiums.

Falkirk's situation is clear. The stadium that is on offer through Airdrie United is of the highest quality and can cope easily with the demands of the SPL.

If Falkirk make a ground-sharing arrangement with Airdrie United, Scottish football is not too big or too complex an organisation to work with the demands that would be placed on the SPL, the first division and the second division to allow such a relationship to be developed.

I appreciate the business reasons for the top 12 wanting to remain the top 12, but I hope that, for the good of Scottish football, a glass ceiling will not be placed on clubs that are at the top and which win promotion as a result of footballing ability. Automatic promotion and relegation should be part of our system and ways should be found of allowing them to happen. I urge the Parliament to support the motion.

12:40

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Presiding Officer, his royal Wyness, grieving Celtic fans, ladies and gentlemen, I have no intention of gloating over certain recent events, although it is tempting. However, I am pleased to support the motion in Dennis Canavan's name and the fact that the motion has attracted such a lot of support.

The rule that would prevent Inverness Caley Thistle or Falkirk from achieving promotion to the SPL is based entirely on decisions that were taken in the 1990s, particularly 1994, when numbers were set in respect of membership of the various divisions. Those decisions, which require that SPL clubs have all-covered and all-seated stadia that hold 10,000 people, were made nearly a decade ago when attendances at matches were much higher than they are now.

I will give some information about the first division, in which Inverness Caley Thistle currently plays. The club's current stadium has a seated stand that accommodates 2,290 people, 730 of whom can be accommodated under cover. The stadium has a total capacity of nearly 6,500. The balance of spectators are accommodated on terracing, most of which is not covered. The average attendances at first division matches have been substantially lower than the 5,000 that was stipulated in the 1994 settlement agreement. It seems that clubs in the first division can get away with breaking the settlement agreement, but that that law must somehow be rigorously enforced in respect of the SPL. Surely that shows that the justification for the perpetuation of the system is unfounded. The rules are selectively enforced in the SPL but not enforced in the lower leagues.

Karen Gillon mentioned safety. We all remember the Ibrox disaster of 1971 and the Hillsborough disaster of 1989. We all recognise that the rules were created to deal with safety and security at grounds and that it was decided that all-seated

grounds were the safest. We all agree with that, but there must be balance and there must be a limit. We must consider in that light the figures that were set at a different time. As Dennis Canavan said, there is an overwhelming case for considering the rules.

In taking up the case with the minister and the SPL on behalf of a leading Inverness Caley Thistle supporter, I had a meeting with Lex Gold and Ian Blair, whom I thank for affording me the courtesy of a lengthy and full meeting. I believe that they would like clubs to be promoted on merit, but they are tied by the settlement agreement. The Parliament has a legislative role to play and it can take action.

Elaine Murray is the last minister in the Scottish Executive whom I would accuse of committing a professional foul, but I believe that such a foul was committed in the reply that I received from her in which she indicated that the criteria for promotion to the SPL are not an Executive responsibility. That is true, but those criteria are not the impediment. The impediment is the statutory provision and the interpretation of the Safety of Sports Grounds Act 1975 and the national planning policy guideline 11. The Executive can change those; if it does so, the numbers can change.

At a time when Inverness Caley Thistle is looking forward to the possibility of competing in Europe next year, it would be a bitter and unacceptable irony if the club could not even compete in the Scottish Premier League. I hope that the Executive will take appropriate action to ensure that that becomes a possibility.

12:44

Mr Brian Monteith (Mid Scotland and Fife) (Con): I apologise to members for the fact that I will have to leave more or less immediately after I have finished my speech. I have apologised to you, Presiding Officer, and to Dennis Canavan.

When it comes to football, I have always said that cash, cash, cash can do anything well. However, we are debating a motion that raises an issue of injustice that shows that, for once in football, more cash is not the solution.

I am indebted to my old adversary Lex Gold for providing a paper explaining the Scottish Premier League's position, which has been commented on by other members. It is a very helpful paper, which explains how the SPL came to produce the settlement agreement whereby, in order to meet the requirements needed to play in the Premier League, clubs must have a stadium with 10,000 covered seats.

The good reasons for that, which relate to safety and public order as well as to comfort, have been

explained. One of the purposes of the Scottish Premier League was to raise standards. That has largely been achieved, and much of that is down to the improvements that have been made to the grounds. I support the settlement agreement. It was worthy and it should be maintained. I recognise that many football clubs have invested in their stadia in order to achieve the required standards. In so doing, and in accruing debt but without spending on players, they have become less able to compete with one another or with the old firm in particular.

I do not accept that the settlement agreement is the problem. On many occasions, Falkirk Football Club sought to redevelop its stadium but met with opposition, due in particular to planning problems with Falkirk Council. When other clubs are developed, the size and location of their existing grounds are often relevant issues.

Consider the clubs that have been promoted to the SPL since it started: Partick Thistle, Livingston, St Mirren, Dunfermline Athletic, Hibernian and Dundee. With the exception of Livingston, which started at a new stadium, all those clubs had large enough grounds to accommodate the necessary change, or they at least had enough space around their grounds to do so. That is not in prospect at Falkirk, but Falkirk FC can now achieve its aim with its new plans. The question is whether the ground-sharing proposal with Airdrie United can be accepted. The settlement agreement does not cover ground sharing. If Falkirk produces a plan that allows it to meet the settlement agreement, it can proceed. It has produced such a plan.

My appeal to the member clubs of the SPL is to keep the settlement agreement, but to accept the good faith of Falkirk in proceeding with the Excelsior stadium proposal. If required, a bond could be requested, but the clubs should accept the good faith of Falkirk in providing a stadium that meets the settlement agreement. That would allow the club, if it wins the first division, to be promoted as worthy champions.

12:47

Donald Gorrie (Central Scotland) (LD): Previous speakers have covered many of the points that I planned to make very well. I endorse the view that we do not wish to inflict a lack of safety on any football supporters. However, the arrangements made by Falkirk seem to meet the relevant requirements.

The argument that Falkirk has not invested in a stadium, whereas other clubs have but without investing in their teams, seems false. Falkirk has invested, and is to have a new stadium. Even during my four years' representation of Central Scotland, Falkirk tried for a long time to get a new

stadium. There is therefore no suggestion of a lack of effort on Falkirk's part.

Being competitive animals, we in politics are aghast at the idea that a winner does not win. It seems most extraordinary to have a glass ceiling. Rules can be changed. Our predecessors fought elections under very different systems. At one time, there was no secret ballot and only a few men and no women had the vote. In changing circumstances, rules change. The football authorities should recognise that things have changed and, if necessary, they should change the rules.

Our successors in the next session will have to address the fact that Scottish football is a disaster. As Dennis Canavan said on a previous occasion, Scotland used to export footballers but now imports them. Our whole system is hopeless, and does not deliver. The people who are nationally responsible—as opposed to the people who are struggling in various clubs—must look to themselves to build up a system that will work properly, and we have to help them.

A number of members have voiced interest in helping to develop a system in which the supporters of a club, through a co-operative or some other arrangement, have more of a stake and a say in their club. That is one way in which we can encourage them.

I strongly support Dennis Canavan's motion. It is fine if it also affects Inverness Caley Thistle. We should reward merit where it occurs, and as recent events have shown, the big battalions do not always win the football matches, regardless of what they do in battles.

12:50

Scott Barrie (Dunfermline West) (Lab): I should like to congratulate Dennis Canavan on securing the debate. Like him, I draw attention to the large number of members who signed up to speak to the motion, particularly as I know that some on this side of the chamber would not know the offside rule or whether there is any difference between a shy and a throw-in. However, they signed up to the motion because fairness is the sentiment behind it. That is why we are debating the matter.

I also congratulate Dennis Canavan on managing somehow to equate Airdrie United and Falkirk with AC Milan and Inter Milan, or Lazio and AS Roma. That takes a bit of flight of fancy. He is quite right in saying that there are examples of successful ground-share arrangements in other leagues. We could argue that if we had more ground sharing in Scotland we would have better grounds in the first place. Historically, that would have led to a better standard of football in

Scotland rather than to our clubs outside the old firm having to scrape the cash together to improve their grounds. However, that is our system.

It is no secret that my own team is Dunfermline Athletic which, 20 years ago, was playing in the bottom division of the Scottish league. However, by the late 1980s we had managed to get ourselves promoted to the old premier division. Although the next decade saw Dunfermline yo-yo between the premier division and the first division, we were able to improve the team and the ground at the same time, and we have now managed to establish ourselves in the top six in the Premier League. That shows that the argument that is sometimes made—that clubs can do only one thing or the other—is fallacious. In fact, clubs can do both. The fact that all the teams in the Premier League have managed that so far should be taken as a benchmark.

I confess that I am something of a luddite and preferred standing on terracing to sitting in a football ground. However, I acknowledge that development is required—not just to meet UEFA criteria, but because of the Taylor report. Who would ever have thought that I would end up speaking on behalf of Falkirk, of all clubs? However, if Falkirk or Inverness Caledonian Thistle finish top of the first division, they deserve to be promoted to the Premier League. To fail to promote them would be to condone failure. It would mean abandoning an age-old principle and would allow the bottom club or clubs in one league to be insulated and to become a self-serving group that was not exposed to innovation or competition. As other members have said, that would be to the detriment of Scottish football as a whole.

This debate is not just about whether we want Dundee United or Motherwell to be relegated and Inverness Caledonian Thistle or Falkirk to be promoted; it is about having the best teams playing in our top division. We hope that that will drive up the standard of Scottish football in its entirety and will be in the best interests of the Scottish game.

12:53

Michael Matheson (Central Scotland) (SNP): I congratulate Dennis Canavan on securing time for this important debate.

Sadly, our national game is not in a healthy state. First, I believe that the current structure of the SPL is wrong. We should have a 16-team premier division, as that would be more competitive and interesting, and would allow more provincial clubs in Scotland to be involved in it. Secondly, it is now self-evident that the so-called split in the Premier League has become something of a joke and should be ended.

The extent of the problems that we face in Scottish football is demonstrated starkly by the fact that the first division champions may not be allowed to be promoted to the Premier League. Lex Gold has provided a helpful background briefing on the position of the SPL. We all recognise that safety must be at the top of the agenda, to ensure that people do not come into harm's way when attending a football match.

However, I believe that the SPL has to address two points. First, with Falkirk having a ground-sharing arrangement in place with the Airdrie United ground owners, I see no reason why the SPL will not accept the idea. As several speakers have pointed out, that has occurred in the past with Celtic sharing with Queen's Park at Hampden and it has occurred with some of Europe's major clubs.

Falkirk should be allowed to be promoted and have a ground-sharing arrangement in place, not just for the sake of the club but for the sake of the fans who have supported the club throughout the season and who follow it match after match to ensure that it can obtain victory. I am confident that Falkirk will secure the first division championship.

People in other clubs question the commitment of Falkirk to investing in its own ground. There should be no doubt that the new stadium—Falkirk's field of dreams—will happen. The first sod was cut on Sunday. Both Falkirk Council and the club have worked hard over the past two years to ensure that the new ground became a reality.

The second point that the SPL must address is the 10,000-seat criterion for entry to the Premier League. It is evident that clubs such as Partick Thistle, which was promoted last season, and St Mirren, which was promoted the season before, do not fill the 10,000-seat capacity even for old firm matches; at best they get 8,000 to 8,500 fans for old firm matches. It is clear that the minimum capacity does not have to be so high. I believe that the SPL must address that issue.

What is the point in making clubs invest in seats when they could be investing in players, as they know that the seats will not be used? I would have hoped that the SPL would recognise that by allowing clubs to invest in players and player development, rather than making them buy seats that will remain empty, we would get better football and improve our national game.

I believe that Falkirk Football Club will go on to win the first division this year. I hope that the SPL will allow common sense to prevail and that Falkirk will be promoted with the ground-sharing arrangement in place.

12:57

Rhoda Grant (Highlands and Islands) (Lab): I congratulate Dennis Canavan on securing the debate and take the opportunity to wish Falkirk well in its campaign to have its ground-sharing agreement accepted by the SPL.

The debate is important for all football teams that aspire to promotion. The SPL insists on teams having a covered 10,000-seat stadium for entry to the Premier League. That has no connection to teams' playing ability, only to the size of their bank balance.

For clubs to improve their standing, they need to invest in their teams. However, such investment is useless if they are then required to build a new stadium to reap the rewards of that success. The investment is not needed to seat larger crowds. Seven out of 10 SPL clubs have an average attendance of 7,500.

The 10,000-seat requirement therefore looks like restrictive practice to me. It also appears to discriminate against teams from rural and remote areas, which already face the high costs of increased travel times. Those rural areas are also unable to support their teams in the numbers that the SPL advances. There is a requirement that teams must invest money to improve their stadium with no practical purpose other than to gain access to the SPL.

That investment means that clubs are no longer able to invest in their teams and their time in the SPL is therefore short. The requirement appears to be designed to protect those already in the SPL from demotion. If teams that could be promoted are not promoted because of the restrictions, those facing demotion are safe.

The requirement not only discriminates against rural areas but has a knock-on effect on our home-grown talent. We spend a lot of time complaining about our national team and its lack of success. However, such restrictive practice leads to lack of success. The larger teams in the SPL buy players from abroad to ensure their own success, leaving the smaller teams to bring forward our home-grown talent. If such talent is barred from the SPL, what chance do we have of developing our national team?

We also need to bear it in mind that fans do not travel to support their teams in the same way that they used to. My home teams are Caley Thistle and Ross County, both of which are situated a long distance from the central belt. They are unlikely to require a capacity of 10,000.

There is another anomaly. The capacity restriction is not required in the Scottish cup. Celtic came to Inverness to play Caley Thistle at the weekend and there was no restriction. I will not

dwel on the fact that Caley Thistle beat Celtic—I do not want to intrude on private grief—but it shows that our remote teams can succeed in making an impact if restrictive practices are not in place. Therefore, I urge the minister to do everything that she can to persuade the SPL to change its restrictive practices.

13:00

Phil Gallie (South of Scotland) (Con): I support Dennis Canavan's motion and I recognise his constituency interest in the case, which he has made no bones about. The issue is spread right across Scotland. This year, Falkirk and Inverness Caledonian Thistle are the teams that have the main interest. St Johnstone might have an interest too, although it has the experience and the stadium. Whichever club hits the top spot deserves to have the option of promotion to the Premier League.

Football is about achievement, commitment, enthusiasm and winning a cup or a championship; it is also about receiving due reward for that. Promotion is all important for the players, for the directors, for those who have committed to the club and, above all, for the fans. That is the aim that Falkirk supporters have had in recent years. Like the supporters of Ayr United, they have been thwarted on the basis that they did not have the stadium to meet the grade.

This year, Falkirk has shown the commitment and has made the arrangements. Just as Celtic went to Hampden, Falkirk could go to Airdrie to live there for a year and to gain the rewards that the new stadium would bring. I put it to the SPL that there should be no doubts. If Falkirk can make that temporary arrangement and it tops the league, it should go up.

If Inverness Caledonian Thistle were to be top dogs, the problems would be slightly different. I acknowledge the arguments on numbers that Karen Gillon and others have made. The 10,000-seat criterion is just a step over the top. As I understand it, the average attendance for Inverness Caley has been about 2,500 this year. I have some affection for Scott Barrie's Dunfermline. Its average attendance is just over the 6,000 mark. On that basis, we must query whether the figure of 10,000 is correct.

In his letter, which was well received, Lex Gold states that there is a requirement for European competition. I must query whether some of the stadiums of the lesser clubs whose games I watch on television meet those criteria. That goes for the international teams as well. I see Scotland playing in stadiums that do not meet Premier League standards. Some of Lex Gold's arguments disappear at that point.

We are debating football and teams' rewards and achievements. Under no circumstances should we ever depress the aspirations of those who put so much into the game by cheating them of their rewards. I ask the Scottish Premier League to bear that in mind.

13:03

The Deputy Minister for Tourism, Culture and Sport (Dr Elaine Murray): I congratulate Dennis Canavan on having his motion selected for the penultimate members' business debate of the Parliament's four-year session. I am replying on behalf of the Scottish Executive, not on behalf of the Scottish Premier League.

I can well understand the frustration and uncertainty that Dennis Canavan and his fellow Falkirk supporters feel about the situation that they would face if their team won the first division. It is clear that the club has made great progress over the past five years. I have considerable sympathy for Falkirk's position, as I am hopeful that Queen of the South might be in a similar position in a year or two. We are lying fifth in the first division, but we were promoted only at the end of last season. The Queens are definitely on their way.

As members are probably aware, the Minister for Finance and Public Services announced that an additional £2 million of capital consent money would be available to Falkirk Council to go towards the building of the new community stadium at Westfield. I am aware that Falkirk remains in discussion with the SPL as to whether its plans to release the Excelsior stadium from Airdrie United would enable it to operate within the Scottish Premier League's criteria.

I am also aware that Inverness Caledonian Thistle, which is currently in third place in the first division, has asked me to meet the SPL. Last month, the local MP, David Stewart, announced that he had asked the Office of Fair Trading to examine whether the criteria for entry into the SPL are consistent with UK competition law.

However, as Brian Monteith indicated, there are a number of clubs on the other side of the argument. Those include St Johnstone, which is currently in second place in the first division, and Partick Thistle, St Mirren and Airdrie. Those clubs invested significantly in their stadia in the hope of promotion to the SPL, so they might well feel aggrieved if the criteria were now changed in retrospect.

Fergus Ewing: The minister makes the valid point that, if the rules are changed, those who abided by the former rules may feel aggrieved. However, does she recognise that many clubs that developed their stadiums received substantial grants towards their costs from the Football Trust?

As that source of finance is simply no longer available, there is no level playing field.

Dr Murray: The member is right in saying that assistance was made available to some clubs. I know that clubs have a difficult choice when deciding whether to invest in players or in stadia. Some years ago, Queen of the South was criticised for selling players in order to invest in the football ground. That is a difficult argument for football clubs to win.

However, the rules that we are debating were agreed upon by the membership of the Scottish Football League when the SPL was established. As other members have mentioned, the rules arose from the report of Lord Justice Taylor's inquiry into the Hillsborough stadium disaster in which 96 people were killed. That report recommended that all grounds of premier league clubs should be all-seated and the recommendation was enforced voluntarily by the football authorities in Scotland. As Fergus Ewing said, the recommendation was incorporated into national planning policy guideline 11 by the Scottish Office in 1996, although that guideline is simply a statement of policy and does not have a statutory basis.

Under the Safety of Sports Grounds Act 1975, every designated sports ground with a spectator capacity of more than 10,000 must obtain a safety certificate from the relevant local authority. That requirement applies to all stadia, not just those of the SPL clubs. The 10,000 capacity to which I referred can be seated or standing or a combination of both. Like Scott Barrie, I have some affection for standing on the terraces, as I always feel that the atmosphere is better on the terraces than in the seated area. Personally, I would find it a matter for regret if Queen of the South had to give up its terraces.

In 1994, the football authorities determined that the stadia of premier league clubs should be all-seated and should have a minimum capacity of 10,000. Clubs that were promoted during the 1993-94 season were allowed a period of five years in which to become all-seated. That condition was confirmed when the SPL was established. As Dennis Canavan mentioned, UEFA is looking to introduce a requirement that the stadia of all clubs in an affiliated association's top division must have a minimum capacity of 10,000.

I am aware that legal action has been proposed and, although I do not advocate such a course of action, that may be the only way to determine whether the rules governing membership of the SPL are legal. The SPL has stated that it is confident that its rules will stand up to legal challenge.

One thing of which I am certain is that there needs to be constructive discussion among all parties. The Executive would be happy to participate in any such dialogue and we would be prepared to consult on the reduction of the 10,000 limit for the issuing of a safety certificate. However, of itself, such a move would not affect the SPL's criteria. We would also need to be careful to ensure that there were no repercussions for the smaller clubs in the lower divisions. That would need to be taken into account if we entered into those debates.

In conclusion, it is clear that the first division has some exciting football. I hope that a resolution can be found that allows the best clubs to gain the promotion that they deserve.

13:09

Meeting suspended until 14:30.

14:30

On resuming—

Point of Order

Mr Duncan McNeil (Greenock and Inverclyde) (Lab): On a point of order, Presiding Officer. Have you received a request from the leader of the Scottish Socialist Party to make a personal statement apologising for that party's official spokesperson's crass comment in *The Scotsman* that

"The war is bad for the Iraqis but good for our votes"?

If not, can you advise me how the Parliament can formally disassociate itself from those remarks and send a strong message to the servicemen and servicewomen who are risking their lives to free Iraq that that comment does not reflect the view of the vast majority of members?

The Deputy Presiding Officer (Mr George Reid): I have received no such request. That is not a point of order, but you have made your point for the *Official Report*.

Business Motion

14:31

The Deputy Presiding Officer (Mr George Reid): The first item of business this afternoon is consideration of business motion S1M-4062, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, which is a timetable motion for today's stage 3 and final stage considerations of the Council of the Law Society of Scotland Bill, the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill, the National Galleries of Scotland Bill and the Commissioner for Children and Young People (Scotland) Bill.

Motion moved,

That the Parliament agrees that, during the Stage 3 and Final Stage proceedings on the Council of the Law Society of Scotland Bill, Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill, National Galleries of Scotland Bill and Commissioner for Children and Young People (Scotland) Bill, debate on each part of those proceedings shall be brought to a conclusion by the time-limits indicated (each time-limit being calculated from when the Stage 3 proceedings on the Council of the Law Society of Scotland Bill begin and excluding any periods when the meeting of the Parliament is suspended)—

Council of the Law Society of Scotland Bill

Motion to pass the Bill - no later than 30 minutes

Salmon and Freshwater Fisheries (Consolidation)

(Scotland) Bill

Amendment 1 and motion to pass the Bill - no later than 40 minutes

National Galleries of Scotland Bill

Amendments 1 to 4 and motion to pass the Bill - no later than 1 hour and 20 minutes

Commissioner for Children and Young People (Scotland) Bill

Groups 1 to 3 and motion to pass the Bill - no later than 2 hours and 25 minutes.—[*Euan Robson.*]

Motion agreed to.

Council of the Law Society of Scotland Bill

The Deputy Presiding Officer (Mr George Reid): As there are no stage 3 amendments to the Council of the Law Society of Scotland Bill, the next item is a debate on motion S1M-4055, in the name of David McLetchie, that the Council of the Law Society of Scotland Bill be passed.

14:32

David McLetchie (Lothians) (Con): I open the debate by making two preliminary points. First, I declare an interest as a Scottish solicitor and, consequently, a member of the Law Society of Scotland. I draw members' attention to the relevant entry under my name in the Parliament's register of members' interests. Secondly, I acknowledge the co-sponsorship of the bill by Pauline McNeill, Roseanna Cunningham and Donald Gorrie, which signifies the cross-party support that existed for the initial proposal that I made. I am grateful to those members for their support and to all other members who have helped to bring the bill to this point just before the shutters come down on the first session of the Scottish Parliament. The bill is a modest measure and, on the face of it, one of a highly technical nature. However, there lies within it a mechanism to improve significantly the handling of complaints by the Law Society of Scotland. It is by that criterion that I believe that the bill will be judged by the Parliament and the wider public.

The Justice 1 Committee took the lead on the bill with its usual gusto, rigorously examining the bill's principles and provisions and not missing the opportunity that was presented to advance the recommendations that it had made in its report on the inquiry into the regulation of the legal profession in Scotland. The committee took evidence from the Scottish Consumer Council, the Scottish legal services ombudsman, the Minister for Justice and the Law Society of Scotland. I place on record my gratitude to the members of the Justice 1 Committee and its clerks for their diligence and efficiency in the processing of the bill at its previous stages.

I also place on record my thanks to the Scottish Executive for its support of the bill, as indicated by Jim Wallace, the Minister for Justice, at the committee's initial evidence-taking session, and at stage 2 by Hugh Henry, the Deputy Minister for Justice, who is present on behalf of the Executive.

The bill will enable the council of the Law Society of Scotland to delegate or arrange for the discharge of its statutory functions by another person or body. The bill will amend the Solicitors (Scotland) Act 1980 to that effect. No such expressed power of delegation, even to the Law

Society's own committees, sub-committees or staff members, is to be found within the 1980 act. The bill will remedy a perceived deficiency in the legislation.

The bill will enable the council to delegate its statutory functions, subject to limited exceptions, and will provide for the appointment of sub-committees in the scheme of the constitution of the council, and the appointment of lay members to committees or sub-committees of the council and, as appropriate, for such lay members to form a majority in the committee or sub-committee to which they have been appointed. Therefore, the bill is empowering rather than prescriptive.

In the stage 1 debate on 9 January, several members sought assurances that the scheme of delegation to be proposed and introduced by the Law Society would be available for parliamentary scrutiny before the bill completed its passage. By the time the bill reached stage 2 on 18 February, a copy of the general principles of the scheme of delegation had been made available to members of the Justice 1 Committee. I am pleased to advise members that specific proposals in relation to the Law Society's handling of complaints have been formulated and sent to the Justice 1 Committee. They are, of course, also available for consultation by any other member of the Parliament.

It would be helpful if I compared the recommendations that the Justice 1 Committee made in its report on the bill with the scheme of delegation for complaints handling that has been devised by the Law Society. First, the committee recommended that there should be at least 50 per cent lay membership of the Law Society's complaints committees. That is now a feature of the scheme. There are at present five client relations committees of 10 members each, 50 per cent of whom will be lay members once the scheme is put into effect. I can also advise members that the Law Society has completed the process of identifying and recruiting additional lay members to serve on those committees.

Secondly, the Justice 1 Committee recommended that an honorarium be paid to lay members, which the Law Society has agreed to. Thirdly, in accordance with the committee's recommendation, all decisions in relation to complaints, whether of misconduct or of inadequate professional service, will be taken by the Law Society's client relations committees rather than by the council. In that context, the decision whether to prosecute a solicitor before the Scottish Solicitors Discipline Tribunal, which is itself an independent statutory body, will likewise be taken by a client relations committee rather than by the council.

Fourthly, the committee recommended that there be an oversight committee to ensure

consistency in decision making. To that end, the Law Society's client care committee will have an enhanced supervisory role in respect of the client relations committees, to give guidance to them on procedures, ensure consistency of decision making, deal with policy questions that may occasionally arise, oversee the work of staff employed in client relations and ensure adequate training arrangements for committee members on how to discharge their duties, including the preparation of reports by individual committee members for consideration by the committee as a whole.

If the bill is approved by the Parliament, it will come into force one month after receiving royal assent. Meetings of the council of the Law Society are scheduled for both June and July. The consequence is that the new complaints handling system will be in place by the summer, once the final legislative and constitutional hurdles have been cleared.

I also advise members that the committee approved three amendments at stage 2. The first amendment clarified the respective roles of the society's committees and of individuals, whether they be case reporters or case managers, in processing and handling complaints from the public.

The other two amendments were technical and enabled the bill to dovetail with the Public Appointments and Public Bodies etc (Scotland) Act 2003, which transfers the responsibilities of the Scottish Conveyancing and Executry Services Board to the Law Society of Scotland. The amendments were designed to align the complaints system for solicitors with that for conveyancing and executry practitioners.

I commend this short, non-controversial bill to the Parliament.

I move,

That the Parliament agrees that the Council of the Law Society of Scotland Bill be passed.

14:41

The Deputy Minister for Justice (Hugh Henry): I am pleased to confirm the Executive's continuing support for the bill, which will enable the council of the Law Society to discharge its business more efficiently by means of appropriate delegation. It will also increase the speed at which the society can handle its business, which will allow faster processing of complaints.

It is to the Law Society's credit that it has taken account of several key recommendations from the Justice 1 Committee's report on the regulation of the legal profession in the scheme of delegation for client relations matters, which the society has

helpfully provided. The scheme provides for 50 per cent lay representation on client relations committees, which will help to boost public confidence in the transparency and fairness of committee processes. As David McLetchie said, the scheme proposes to pay lay members an honorarium, which recognises the value of the time and effort that those members commit to the task.

I also commend the society's undertaking in the scheme that responsibility for resolving all complaints will be delegated to its client relations committees. I am pleased that the scheme of delegation provides for an oversight committee to help ensure consistency in the work of the society's client relations committees. It will be important for committees to take account of precedents in exercising their judgment.

The scheme also mentions that adequate safeguards will be in place to ensure that complaints are properly considered in the first instance. I commend the society for that undertaking. The Executive will be interested to hear in due course what those safeguards will be.

The bill is a welcome measure and marks the beginning of a period of change for the Law Society in the way in which it handles complaints. I take the opportunity to congratulate the Law Society on the work that it has done on the bill and the scheme of delegation. I am pleased that the bill has made speedy progress and I confirm that the Executive fully supports it.

14:43

Michael Matheson (Central Scotland) (SNP): I congratulate David McLetchie on the way in which he has handled the bill and taken it through its stages. I congratulate him particularly on the way in which he has co-operated with the Justice 1 Committee in considering the bill's provisions. The bill has the SNP's support; as David McLetchie said, one of the bill's co-sponsors is Roseanna Cunningham, who unfortunately cannot participate in the debate because of her mother's ill health.

Having witnessed the conduct of the Law Society's council meetings at first hand, I can say that delegation to its committees will assist the council in undertaking its programmes of work and will make the system more transparent and accountable. I welcome the fact that the Law Society has taken on board many of the Justice 1 Committee's recommendations, which shows a commitment from the society to work in partnership with the Parliament and to strengthen the bill further.

In the stage 1 debate, I said that I hoped that the bill would be the first step in making the way in which the Law Society handles complaints against

its members more transparent and public. The bill is in line with the recommendations in the Justice 1 Committee's report on the regulation of the legal profession. It is a first step, but the Law Society's response to the committee's report has been somewhat unhelpful. It is sad that the Law Society chose not to accept several important recommendations from the committee.

Many members of the public clearly continue to hold the view that the Law Society must be more transparent in and accountable for its actions. The Justice 1 Committee's report into the regulation of the legal profession reflected that in its recommendations. I hope that the Law Society will reflect again on those recommendations and will consider what further changes it can make to make its system even better. I am sure that that is an issue to which a future justice committee will wish to turn following the election.

The bill has the SNP's support and is a step in the right direction.

14:45

Donald Gorrie (Central Scotland) (LD): As a co-sponsor of the bill, I naturally support it. I am very happy to do that. The bill is a sensible move in the right direction, and the Liberal Democrats, like the other parties, support it.

The bill is only a step on the road. I agree with everything that Michael Matheson said. We still have a lot of unfinished business. It is regrettable that some people have a really bad experience with their lawyer. That can be very destructive to their family life and fortunes. They get very bitter about it, and some of them think that we are engaged in a huge plot against them, which we are not. I assure them that the Justice 1 Committee is a vigorous anti-establishment group, if I can use that expression to embrace people such as Lord James Douglas-Hamilton. We probe seriously, and I am sure that our successors will continue to pursue the matter.

The bill is a step in the right direction. I endorse everything that has been said so far.

14:46

Euan Robson (Roxburgh and Berwickshire) (LD): I thank Mr McLetchie for taking up the point that I made in the stage 1 debate in an intervention about the training of lay members in complaints handling. I am grateful to Michael Clancy for his response on the matter.

I add only one small point. There is value in the Law Society's considering how other agencies handle complaints and some of the positive ways in which those agencies deal with consumers, if they happen to be consumer complaints organisations, or commercial companies.

I think that Michael Clancy took my remarks to mean that the Law Society should buy in outside expertise. It is more a question of sharing good practice in complaints handling. A lot of good practice exists, particularly in consumer representation organisations.

However, it was reassuring to hear that there will be training for lay members. That will make a considerable difference to the way in which complaints are handled.

14:47

David McLetchie: I thank the members who have contributed to our short debate today and will comment on some of the points that were made.

I thank Hugh Henry, the minister, for confirming Executive support for the bill and thank him for the welcome that he has given to the good working relationship that exists between the Law Society, the Justice 1 Committee and the Executive on making progress on issues that relate to the regulation of the profession and to complaints handling.

I welcome the support that other members have expressed. I was unaware until Mr Gorrie informed us today that my good friend James Douglas-Hamilton was a member of such a revolutionary cell as the Justice 1 Committee. However, I learn something about James Douglas-Hamilton every day in the Parliament. No doubt there will be other discoveries in future.

It is fair to say that the Law Society has accepted a number of the recommendations in the Justice 1 Committee's report on its inquiry into the regulation of the legal profession. However, I am sure that the Scottish Executive would wish to consider many of that report's recommendations, because they have implications, not only for the Law Society, but for the overall regulatory framework for the profession. The recommendations also have consequential effects on other professions and, in some instances, public expenditure implications.

A great deal more must be done on other aspects of the regulation of the legal profession. A year or so down the road, it might be appropriate for the Justice 1 Committee's successor committee to review the delegation scheme and the changes to complaints handling that are now being put in place and that will come into force in the summer. In the light of that review, consideration might be given to whether the Justice 1 Committee's further recommendations are appropriate for enactment.

The bill is a step forward in the modernisation of the Law Society of Scotland. The Law Society is a statutory body, which is responsible to the

Parliament. It is charged by the Parliament with the dual role of promoting the interests of the solicitors' profession and—this is an important “and”—the interests of the public in relation to that profession. It is the servant of two masters and, although no one doubts the difficulties of fulfilling such a dual role, it is one that the society has sought to discharge conscientiously and even-handedly over the years.

The Council of the Law Society of Scotland Bill and what flows from it will enable the society to function in a more efficient manner, and will improve its standards of service, both to its own members and to the public. In seeking to take this measure of reform, I believe that the society has demonstrated its willingness to engage with the Parliament and to take forward the recommendations made by the Justice 1 Committee, both in its report on the bill and in its report on its wider inquiry into the regulation of the legal profession. It will be up to the Law Society and the relevant justice committee in the next Parliament to continue that good working relationship and to monitor the progress made on complaints handling, which should be one of the benefits of the bill and of the scheme of delegation. That is an aspect of the society's functions that I am sure the Scottish Executive—however it may be comprised in future—will keep under review.

I commend the bill to the Parliament.

Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill: Stage 3

14:52

The Deputy Presiding Officer (Mr George Reid): The next item of business this afternoon is stage 3 proceedings on the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill. Members should have in front of them the bill as amended at stage 2, and the marshalled list, which contains the one amendment that has been lodged. As there is only one amendment, there are no groupings.

This is the first of three bills that we are considering this afternoon to which amendments have been lodged. I will therefore allow an extended voting period of two minutes for the first division occurring on an amendment to any of the three bills. Any subsequent division that is the first division after a debate on a group of amendments will last one minute; any other divisions will last 30 seconds.

After section 40

The Deputy Presiding Officer: Amendment 1 is in the name of the Lord Advocate.

The Lord Advocate (Colin Boyd): The purpose of amendment 1 is to reinsert a necessary provision that was omitted by mistake at stage 2. The Parliament's standing orders, in relation to consolidation bills, provide that stage 3 amendments are not admissible unless they are necessary to ensure that the bill is an accurate restatement of the law. One of the amendments that was approved at stage 2 had the effect of removing from the bill a provision of the Salmon Act 1986, namely section 12(1), which provides for what is to happen in cases where there is only one proprietor of salmon fisheries in a salmon fishery district. The amendment repairs that mistake. Without it, the consolidation would not be an accurate restatement of the law.

The Scottish Law Commission recommended that the consolidated provision should be amended to provide also for the case where there are only two proprietors in a salmon fishery district, and it was thus proposed for the provision to be adjusted to reflect that recommendation. However, the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill Committee rejected the Law Commission's recommendation, and the section containing the amended provision was simply deleted at stage 2. That had the effect of removing the original provision as well as the Law Commission's recommended provision. The amendment therefore restores a simple consolidation of section 12(1) of the 1986 act.

The standing orders do not permit any debate on the question that a consolidation bill be passed. I do not want to circumvent that standing order, but it would be remiss of me not to put on record the effort that has been put into this, the first consolidation bill of the Scottish Parliament, by the Scottish Law Commission and by the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill Committee and its staff. Between them, they have produced a consolidation that I have no doubt will be of great benefit to those who operate the legislation and to those who wish to amend it in future.

I move amendment 1.

Dennis Canavan (Falkirk West): The amendment refers to a salmon fishery district in which there is only one proprietor. Will the Lord Advocate explain what effect, if any, the amendment will have on the implementation of the Freshwater and Salmon Fisheries (Scotland) Act 1976, which is consolidated in the bill? The 1976 act was supposed to improve access, but the so-called protection orders have in reality turned out to be more like exclusion orders. They have inhibited, or even prohibited, ordinary anglers from accessing many freshwater fisheries in Scotland.

The Executive has given a commitment to review or repeal the 1976 act. What is the point of consolidating something that is recognised as bad law and that will be repealed? I would appreciate the Lord Advocate's assurance that the 1976 act will be repealed at the earliest opportunity, and that a white paper that sets out the Executive's alternative proposals will be published before the dissolution of Parliament on Monday.

In the meantime, I intend to vote against the bill. I do not believe in consolidating legislation that makes it more difficult for ordinary anglers to fish many of the rivers and lochs in Scotland.

Stewart Stevenson (Banff and Buchan) (SNP): The amendment, referring as it does to the salmon fisheries boards, applies to the salmo salar species and salmo trutta in its migratory variety. However, as my colleague Dennis Canavan has spoken about salmo trutta in its non-migratory variety—more commonly known as brown trout—I am sure that I will also be allowed to say a word or two on that subject.

It is a matter of deep regret that in 1976 the ordinary men and women of Scotland were denied their traditional rights to fish for brown trout wherever they liked, provided that their equipment was incapable of catching salmo salar or salmo trutta in its migratory form.

It is a grave disappointment that a consolidation bill does not permit the amendments that would undo that injustice. I support Mr Canavan's request that the Executive moves as a matter of urgency to remedy that injustice.

Murdo Fraser (Mid Scotland and Fife) (Con):

As the convener of the consolidation bill committee, I rise to contribute to the debate. I also wish to deal specifically with the Lord Advocate's amendment, and I congratulate him on introducing it. As he says, the amendment will consolidate section 12(1) of the 1986 act. That consolidation is necessary to ensure that the bill is an accurate restatement of the existing law. Otherwise, that section would not be consolidated.

The advice that we have received from the legal adviser to the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill Committee is that this is an admissible amendment under rule 9.18.7 of standing orders. I am pleased to support amendment 1.

With your indulgence, Presiding Officer, I would like to address some wider issues. I hear the comments that Mr Canavan and Mr Stevenson have made on policy matters. The role of the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill Committee was simply to consider consolidation of the existing law, but in our stage 1 report on the bill we suggested that it might be advisable for the Executive to examine the wider policy issue of salmon fishing as a separate item. However, it was not within the committee's remit to consider policy changes. I trust that members will understand that.

As convener of the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill Committee, I record my thanks to the members of the committee, who participated in this process and considered the issues thoroughly. If members reflect on the fact that some of the legislation that we were consolidating dates back as far as 1607—I refer to the Theft Act 1607—they will understand why a consolidation bill was necessary and, indeed, desirable. We struggled with issues such as haaf-net fishing, cruives and fixed engines on the Solway, and I think that we did our job well. I thank the clerks and, especially, our legal advisers Iain Jamieson and his deputy, without whom we would have found the process even more impenetrable than was otherwise the case.

We support amendment 1, in the name of the Lord Advocate. I shall be happy to vote to pass the bill.

The Deputy Presiding Officer: Some of the arguments that have been made have been rather wide of the amendment, but I have been indulgent because members did not speak for too long.

15:00

The Lord Advocate: I will answer the question that Dennis Canavan put to me about the effect on the 1976 act. The amendment will have no effect on the operation of the 1976 act. I regret that I cannot give the undertaking that he sought to

publish a white paper before dissolution on Monday. He asked what the purpose of the consolidation is. It is simply to restate the law as it stands. He can rest assured that I will pass on his comments on the substantive law to the minister responsible, whoever that may be, after the election.

Amendment 1 agreed to.

Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill

15:01

The Deputy Presiding Officer (Mr George Reid): Before I move to the next item of business, I remind members that, under rule 9.18.7 of the standing orders, the Parliament must decide without any debate whether a consolidation bill be passed at stage 3.

Motion moved,

That the Parliament agrees that the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill be passed.—[*Lord Advocate.*]

National Galleries of Scotland Bill: Final Stage

15:02

The Deputy Presiding Officer (Mr George Reid): We come to the final stage proceedings on the National Galleries of Scotland Bill. For the first part of the final stage proceedings, members should have a copy of the National Galleries of Scotland Bill—SP bill 68—and the marshalled list, which contains the four amendments that I have selected for debate. As all four amendments will be debated in a single group, a groupings list has not been printed. I ask members to refer to the marshalled list.

Section 2—Meaning of “the relevant land”

The Deputy Presiding Officer: Amendment 1 is grouped with amendments 2 to 4.

Rhona Brankin (Midlothian) (Lab): The amendments are minor and are directed at correcting small inaccuracies, which were helpfully pointed out by Hugh Buchanan, the Ordnance Survey’s parliamentary and government adviser for Scotland. The inaccuracies are in the four grid reference points used to locate the corners of the small rectangular-shaped piece of land to which the bill relates.

I move amendment 1.

John Young (West of Scotland) (Con): At the outset, I thank the convener of the National Galleries of Scotland Bill Committee, Rhona Brankin, for her handling of this matter, as well as the members, the clerks and the legal advisers. The bill could have been highly contentious, because, quite rightly, the citizens of Edinburgh—and even those beyond Edinburgh—guard Princes Street gardens jealously. The proposal will provide an improvement that will have international effects.

The Deputy Presiding Officer: Order. There really is too much extraneous noise. I cannot hear the member, and I am sure that others cannot hear him either.

John Young: I take it that you do not want me to start again, Presiding Officer.

The Deputy Presiding Officer: I think that we caught the first part, Mr Young.

John Young: The National Galleries of Scotland are working on the Playfair project, which involves the restoration of the Royal Scottish Academy building and various other improvements. As has been said before, the connecting underground link between the two galleries plus the other facilities that will come into play will have an international

impact. Everyone on the committee agreed that the proposal is definitely an improvement—the committee's meetings were perhaps the briefest in the Parliament's history, as we were all in agreement.

Donald Gorrie (Central Scotland) (LD): In the absence of Margaret Smith, who is our representative on the committee, I support the bill and the amendments. The amendments might well qualify for the Guinness Book of Records, or a similar document, given their unusualness. Behind the curious amendments and the bill is a very important project for improving the national galleries of Scotland so that they are truly of an international class and benefit the whole of Scotland. We should all support that. A few square feet of Princes Street gardens are well sacrificed to that end.

Robin Harper (Lothians) (Green): I express my earnest hope that the proposed extension, which will be of great benefit to National Galleries of Scotland, will not be taken as a green light by any other developers to make other encroachments on Princes Street gardens. I cannot make myself any clearer than that.

Maureen Macmillan (Highlands and Islands) (Lab): I welcome the passage of the bill and look forward to the completion of the works, which will allow us to have the pleasure of visiting a refurbished, expanded and more interesting National Gallery of Scotland.

We should not underestimate how much of an attraction an interesting and well-appointed art gallery is for citizens and visitors alike. A couple of weekends ago, I visited Florence to renew my acquaintance with art treasures that I saw first as a schoolgirl, such as the Duomo, the churches of San Marco and San Lorenzo, and the statue of David in the Accademia gallery. Florence also has the Uffizi gallery, where visitors queue for hours to see the masterpieces of the Italian Renaissance—the incredible formal altarpieces that glow with gold, the beautiful Botticelli faces and the rich colours of Titian, Leonardo da Vinci and Caravaggio. There is too much to absorb.

In the National Gallery in Edinburgh, we have our own Botticelli and now our own Titian; we also have our Scottish masters, such as Nasmyth and Raeburn. Raeburn's painting of the Rev Robert Walker skating on Duddingston loch is everyone's favourite and has become the icon of the National Gallery.

I hope that we will be able further to enhance our national collection in the coming years. One day, we, too, might have a two-hour queue of people waiting for admission and, as in Florence, a gallery that is open 10 hours a day, seven days a week, to cope with demand.

I have a word of warning—the cafe at the Uffizi is dire. I hope that the restaurant at the National Gallery will be spectacularly good.

The Deputy Presiding Officer: Order. We have not reached the debate on whether to pass the bill. This is the debate on amendment 1, on whether to leave out grid reference NT32544126738479. We should have speeches on amendment 1; we will have the final stage debate on whether to pass the bill a little later.

Maureen Macmillan: I beg your pardon, Presiding Officer. I thought that we had moved to the final stage debate, because of previous speeches.

The Deputy Presiding Officer: Not quite.

Rhona Brankin: Will you clarify that we are moving into the final stage debate now?

The Deputy Presiding Officer: We have four amendments in total and we are dealing with the first of those amendments—amendment 1.

Rhona Brankin: I intend to speak to the amendments only if that is required for clarification purposes.

Amendment 1 agreed to.

Amendments 2 to 4 moved—[Rhona Brankin]—and agreed to.

National Galleries of Scotland Bill

The Deputy Presiding Officer (Mr George Reid): We move to the debate on motion S1M-4018, in the name of Rhona Brankin, that the National Galleries of Scotland Bill be passed. I ask members who have already made their speeches to remember that. I call Rhona Brankin to speak to and move the motion on behalf of the National Galleries of Scotland Bill Committee.

15:08

Rhona Brankin (Midlothian) (Lab): We have already set more than our fair share of precedents in the past four years and the passing of the National Galleries of Scotland Bill will be another one, as this is the first time that we pass a private bill in the new Scottish Parliament.

The bill might be modest in size and purpose, but it is the final piece in the jigsaw of the Playfair project, which the promoters believe will make a considerable difference to the public's enjoyment of art in our capital city.

For those who are unfamiliar with the Playfair project, it is the catch-all title for the improvements that will restore the Royal Scottish Academy building, stabilise its foundations and create an underground link between the RSA and the National Gallery of Scotland.

During the preliminary stage of the bill, the promoters said:

"the project is ambitious for Scotland. We intend to deliver for Scotland a world-class exhibition facility ... we intend to upgrade the visitor facilities to the whole complex, concentrating in particular on the important areas of education and information technology."—[*Official Report, National Galleries of Scotland Bill Committee*, 3 February 2003; c 4.]

The bill has two purposes. In that respect, it is probably as straightforward a piece of legislation as the Parliament is ever likely to consider. Its first purpose is to remove a small strip of land from Princes Street gardens; its second is to disapply paragraph 22 of the schedule to the City of Edinburgh District Council Order Confirmation Act 1991 in respect of that strip of land.

I would like to make it clear that the bill does not give permission for the Playfair project as a whole. The City of Edinburgh Council has already granted planning permission and listed building consent for the overall project. The only part of the project that the bill concerns is a rectangular piece of ground on the east side of Princes Street gardens, on which the promoters wish to construct a new entrance to the galleries.

I would like to express my gratitude to all those who have contributed to the passage of the bill. I

thank the trustees of the National Galleries of Scotland who are the promoters of the bill. I thank my colleagues on the ad hoc committee that was set up to consider the bill for all their time and input. I also thank all the witnesses who took the time and effort to provide us with written and oral evidence and the members of the non-Executive bills unit who guided us through the process.

I do not intend to dwell on the details of the process that we have undertaken. Suffice it to say that private bills differ quite considerably from public bills—private members' bills are something else entirely. The train-spotters among us—I know that there are a few sad cases, although Jackie Baillie does not seem to be present—know that private members' bills exist only at Westminster. The Scottish Parliament has private bills and members' bills and never the twain shall meet. That is the end of my mini-lecture on legislation—anyone with questions can see me after class.

It is fair to say that the bill is as non-controversial in nature as it is possible for a bill to be. We received no formal objections during the objection period, so the preliminary stage focused on the somewhat wider views of interested organisations. Three issues were raised: the protection of Princes Street gardens; the overspill of the commercial aspects of the project into the gardens; and the precedent for future building in the gardens. The committee noted those concerns, but we were satisfied by the evidence from the promoters and from others, such as the city council, the Scottish Civic Trust and the minister, that Princes Street gardens will not be detrimentally affected by the bill. In addition to receiving no objections, no amendments were lodged at the consideration stage. However, the promoters appeared before us briefly and, again, we were grateful for their input.

Private bills, although non-political by definition, can be publicly contentious. I am sure that colleagues who convene future committees to consider railway bills and the like will have plenty of important issues to contend with. In our case, I am happy to say that we managed to keep most of the people happy for most of the time. How often can we claim that we have been able to do that?

Earlier, I spoke to one amendment at the final stage of the bill. That was a technical amendment to ensure that the correct Ordnance Survey co-ordinates were used in the bill. Getting the correct grid references is important. I ask members to imagine what would happen if we had accidentally transferred the Marks and Spencers ladies lingerie department into the ownership of the National Galleries of Scotland. It is important to get the details absolutely accurate, and I am confident that we have now done so.

I would like to address quickly a couple of concerns that were raised by external correspondents. One concern was about disabled access to the gardens. The promoters believe that the bill will go some way towards assisting disabled users, in so far as people in wheelchairs should soon be able to access the gardens via a lift in the expanded galleries complex that will take them from Princes Street level to the lower garden level.

The other concern related to the relocation of the Spanish war memorial to another part of the gardens, which was part of the promoters' successful planning application to the council. All that I will say is that the move ought not to be seen as in any way diminishing the respect that we hold for those Scots who went to Spain to fight fascism all those many years ago.

I have aimed to keep my remarks brief and to the point on this concise and simple bill.

I move,

That the Parliament agrees that the National Galleries of Scotland Bill be passed.

15:13

The Minister for Tourism, Culture and Sport (Mike Watson): We have now reached the final stage of the private bill that is needed to disapply legislation restricting building in Princes Street gardens. The bill is an important integral part of the Playfair project and the Scottish Executive strongly supports the bill as amended. We are pleased that the bill has made good progress and will be passed today.

The stabilisation works have been completed, and the internal refurbishments are nearing completion. Those works have transformed the venue into a gallery that will be able to compete with galleries in other European capital cities, such as the Louvre or the Musée D'Orsay in Paris.

The National Galleries of Scotland can now go ahead with the preparations for what will surely be a wonderful Monet exhibition, which will be the major attraction at this year's Edinburgh international festival. Not all of the work will have been completed by then, but when it is completed we will have a magnificent building of which Scotland can be genuinely proud.

Given the subject of that exhibition and in the spirit of the auld alliance, I have invited the French culture minister, Jean-Jacques Aillagon, to come to Edinburgh to see the Monet exhibition in its magnificent new setting at the National Gallery.

As with the Louvre and many other international galleries, the link building will provide a range of new facilities dedicated to education and information technology. The National Galleries of

Scotland are moving with the times to enhance their international reputation and their long tradition of preserving and presenting what is best.

The National Galleries of Scotland have had the foresight to provide a wonderful resource for people to enjoy. The new facilities will benefit a range of people, particularly schoolchildren. The increased number of tourists attracted to Edinburgh by the Playfair project will bring increased revenue to the galleries, to Edinburgh and to Scotland.

I want to ensure that the number of people from Scotland who attend the National Galleries of Scotland increases. After the Executive abolished admission charges, it was anticipated that the number of people who make use of our museums and galleries would more accurately reflect the population of Scotland. It is a disappointment to have to say that that has not proved to be the case to any significant extent. I intend to ask the management of our national institutions to investigate what more can be done to make their establishments more attractive to under-represented groups in Scotland, whether they are under-represented in terms of social group, age range or geographical area. I want the magnificent treasures that those institutions contain to be seen by as many people in Scotland as possible. We hope that the Playfair project will attract and increase the number of sponsors who wish to invest money to provide more excellent exhibitions and to promote art in Scotland.

The national cultural strategy, which was launched in 2000, aims to create a climate in which arts and culture can thrive and be accessible to all. What better way to achieve that than through the Playfair project? The Executive is promoting a strong cultural identity. In Scotland, we want to be seen to be promoting excellence in culture at home as well as overseas. The Playfair project is working towards promoting that strong cultural identity and excellence.

The Executive strongly supports the ambitious Playfair project, and I think I speak on behalf of everyone when I say that we all look forward to enjoying the new facilities.

15:17

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I have three brief points to make. It is appropriate that, at the end of this parliamentary session, we are dealing with a bill and amendments to do with grid references. That is a nice balance, because close to the beginning of the parliamentary session, we also dealt with grid references in more controversial circumstances with the Scottish Adjacent Waters Boundaries Order 1999. That lends a nice

symmetry to proceedings over the four years of this Parliament.

To those who ask why it is necessary for an act of the Scottish Parliament to deal with boundaries in Princes Street gardens, I say that, apart from the obvious legal reasons, it is necessary that Princes Street gardens—which are a national treasure—should not be left to the whims of the City of Edinburgh Council, although it is undoubtedly an illustrious council in some circumstances. An asset such as Princes Street gardens should be subject to some scrutiny by the Parliament.

My third point is simply to echo what others have said. The bill is not a wholly essential part of the Playfair project because the promoters said that they had a contingency plan should the Parliament have turned the bill down. However, I am sure that the Playfair project will become an ornament in Scotland's capital in due course.

15:18

Lord James Douglas-Hamilton (Lothians) (Con): I am glad to speak in support of the bill. Rhona Brankin is to be warmly congratulated.

I note that local MSPs were not allowed to sit on the committee, but that does not mean that we did not have views. We passionately support the bill. It is vital to have more space in the National Galleries of Scotland and the slight encroachment on the gardens is acceptable because it is an improvement and will allow for the maximum and best use of daylight and ancillary facilities.

The project will be good for tourism, for education and exhibitions, for young people, for leisure and recreation and for artists who wish to learn speedily. It is interesting to note that the Royal Scottish Academy and the National Gallery were built with such magnificent architecture that they played a key role in earning for Edinburgh the title "Athens of the north".

As Rhona Brankin said, the project represents the completion of a jigsaw. The Playfair project is massive, involving not only the restoration of the Royal Scottish Academy but improvements to the National Gallery and the creation of an underground link. The project will make for much better provision for exhibitions, a lecture theatre, education rooms, information technology, a restaurant, a cafe, a shop and cloakrooms, and is very much to be welcomed.

Alasdair Morgan made the point that the matter was not merely one for the City of Edinburgh Council, but it was appropriate that the council was involved, because it had to obtain an order from the sheriff to dispose of land where the land was held for the common good. I stress that

"common good" is a good expression in this context, because that is exactly what is involved.

Some years ago, I made a speech in the House of Commons in which I asked that an education officer be appointed to take school parties round the national galleries of Scotland, because the Scottish Office had not given enough funding for that purpose. We have moved on a long way since then. One of the points in favour of this Parliament is that there is time to debate issues relating to the arts effectively and well, and to see legislation through to completion, which was not always the case at the House of Commons. Arts debates took place there only once every few years or once in a blue moon.

The bill is good for Edinburgh, it is good for Scotland, and it is good for the galleries as a centre of excellence for European art and culture.

15:21

Robin Harper (Lothians) (Green): I express my warm support for the bill. With pleasure and some satisfaction, I remind the Parliament that my staff and I arranged for the information week and lobbying of the Parliament by Ordnance Survey, which has obviously paid off with the clarifying amendments to the bill.

A small patch of darkened grass, next door to a ladies toilet, is hardly the best place for a monument to people who, sadly, were killed in the maelstrom of the Spanish civil war. I have been lobbied on that point in a letter that suggested that the monument should be removed and put on display in Princes Square. However, if it is to be placed anywhere, it should be found a suitable site in Princes Street gardens, with a good surround and in a position where many more people will see it than have seen it over the past nearly 70 years. That is my plea.

15:22

Mrs Margaret Smith (Edinburgh West) (LD): I apologise for my late arrival at the debate.

I welcome the National Galleries of Scotland Bill, which will improve the work that is already being done by the National Galleries of Scotland. The Playfair project is a welcome development that will improve life not only for the people of Edinburgh but for the many tourists who visit Edinburgh.

Some people have had mild concerns about the impact of the bill on the gardens, but that impact is more than outweighed by the extra access that the development will provide by literally opening up art to a wider audience. People wandering in the gardens might walk into the galleries as a result of the development. In particular, I am glad that the development will make the galleries much more easily accessible to disabled people.

Some people were also concerned that by going down this route, the project would somehow open the door to future projects that might not be quite so beneficial to the common good of Edinburgh. However, we have been reassured by the City of Edinburgh Council and others that each project will be examined on its own merits in relation to the use of the gardens.

I am happy to welcome the bill, as the development will enhance the landscape of Edinburgh, its unique cityscape and, in particular, Princes Street gardens. It will be a welcome addition, not only for the residents of Edinburgh, but for the many tourists who visit.

15:24

John Young (West of Scotland) (Con): We have had an interesting debate this afternoon. It is unusual in this Parliament not to have disagreement—or even violent disagreement—at some point. There is general agreement across the political spectrum that, in future, we must protect Princes Street gardens. However, this occasion was a special one-off.

Previous speakers outlined in detail the advantages of the development. Anyone who has seen the model or who was privileged to be on the inspection tour that we had a few weeks back, will be able to say that the project will be of considerable advantage to Princes Street gardens, Edinburgh and the international community. During the National Galleries of Scotland Bill Committee meetings, which lasted some time, we heard a lot of presentations from the City of Edinburgh Council and various groups and societies. If one considers the potential risk to the gardens of erosion, it is quite remarkable that people reached a broad consensus and agreement. That was perhaps also a one-off.

One point that could cause me concern is to do with the City of Edinburgh District Council Order Confirmation Act 1991, section 22 of which restricts building in Princes Street gardens to

“Lodges for gardeners and keepers, hothouses and conservatories, monuments, bandstands, public conveniences, police boxes and buildings for housing apparatus for the supply of electricity or gas.”

I say to City of Edinburgh Council that that provision is a possible defect, because someone could easily build something in the shape of a bandstand that was not a bandstand. That must be considered, perhaps by the council. Alasdair Morgan illustrated that point in a previous debate, because just such an example has occurred.

Alasdair Morgan: As the member said, I made that point in a previous debate. The official from the City of Edinburgh Council who gave evidence to the committee said that the people concerned

had realised that their proposal would not have fitted in with the regulations and therefore made their kiosk look like a bandstand to get round the regulations. That serves to emphasise the comments I made earlier about leaving such matters to councils.

John Young: I agree with Alasdair Morgan—indeed, having been a councillor in Glasgow for 35 years and having served on the planning committee, I agree with him even more. I am not being anti-Edinburgh when I say that by any means. However, the restrictions in the 1991 act must be considered in future.

We have had a good debate this afternoon. These are almost the final hours of this first parliamentary session, and it is nice to be going out on such a note of consensus.

The Deputy Presiding Officer: At this point, I advise members, and business managers in particular, that we are running about 25 minutes ahead of schedule.

Commissioner for Children and Young People (Scotland) Bill: Stage 3

15:28

The Deputy Presiding Officer (Mr George Reid): The next item of business this afternoon is the stage 3 proceedings on the Commissioner for Children and Young People (Scotland) Bill. Members should have the bill—SP bill 71A—as amended at stage 2, the marshalled list that contains the amendments selected for debate and the groupings.

Section 4—Promoting and safeguarding rights

The Deputy Presiding Officer: Amendment 2 is in a group on its own.

Pauline McNeill (Glasgow Kelvin) (Lab): I congratulate the Education, Culture and Sport Committee on what is a good piece of work. Initially, I had a bit of difficulty with the setting up of yet another commissioner's post by the Parliament, but after reading the bill, I believe genuinely that a good job has been done.

My amendment 2 seeks assurances from the committee about the context in which the commissioner would review law and practice. I am less concerned about practices in relation to children and more concerned about reviewing the law.

Whenever we set up a commission, which is an unelected body, the Parliament should consider carefully the commission's role and how it relates to the role of elected people. I want to ensure that the review of the law provided for in the bill happens in some kind of context.

I appreciate that it is clear in section 10 that there should be an annual report to Parliament. I see the connection between sections 4 and 10, but I would like the committee to reassure me that those two sections should be read in tandem and that any responsibility that the children's commissioner has for reviewing the law recognises the role of Parliament and elected members ultimately to decide what is best for the law relating to children, despite the fact that the commissioner has a role in that, too.

If I get the reassurances I seek, I am prepared to withdraw the amendment.

I move amendment 2.

15:30

Karen Gillon (Clydesdale) (Lab): I understand the concerns that the member has, particularly in

relation to the commissioner having the potential to usurp the supremacy of the Parliament.

I reassure the member that we have put several checks and balances in place to prevent that from happening. In particular, under section 4(2)(b), the commissioner will consider legislation, policy and practice relating to the rights of children and young people, a review of which could result, for example, in a recommendation and report to the Parliament under section 12, so it is already the case that any review of law, policy and practice could result in a report to Parliament.

Section 10 deals with the annual report, which must include the steps taken during the year to fulfil each of the commissioner's functions. Given that the duty to review in section 4(2)(b) is one of those functions, any review would be included in the annual report, which will include any recommendations that the commissioner wishes to make. In addition, the commissioner may at any time lay a specific report dealing with the review under the power at section 12.

Therefore, there are already sufficient checks in the bill to require the commissioner to report to the Parliament on such matters. One of the underlying principles of the bill is that the commissioner will work through recommendation and persuasion; the bill contains no powers that allow the commissioner to enforce any recommendations that he or she may have, nor to require implementation of any findings from the annual or other reports.

In other words, the only way in which to create real change is through the reporting mechanisms to the Parliament. It will be for the Parliament to take action on those issues if it so chooses, and we fully expect any successor committee to give careful consideration to any recommendations that the commissioner may outline in his or her report.

We have also been careful to avoid going too far, and placing the commissioner under the control of the Parliament. A large degree of independence from both the Parliament and the Executive is imperative to the success of the post. Rather, the bill sets out an appropriate system of checks and balances through the reporting mechanism. That will ensure that the commissioner promotes and safeguards the rights of children and young people, but does not cut across the proper function and rights of other bodies. That reflects one of the committee's key principles in developing the legislation.

I hope that I have provided the member with the necessary reassurances. The requirements for annual reporting, the power to bring other reports to the Parliament, and the lack of any other enforcement mechanism will ensure that the commissioner has no alternative but to bring his or

her recommendations directly to the Parliament. The bill in no way impacts on the Parliament's supremacy. Given those assurances and the explanation, perhaps the member will feel able to withdraw the amendment.

Pauline McNeill: In view of the assurances that the convener of the committee has given, I am happy to withdraw amendment 2.

Amendment 2, by agreement, withdrawn.

Section 6—Involving children and young people

The Deputy Presiding Officer: Amendment 1 is in a group on its own.

Fiona McLeod (West of Scotland) (SNP): In line with Pauline McNeill's opening remarks, I congratulate the committee on its work. I also begin by apologising for introducing my amendment at stage 3. Saying that I was involved in the Water Environment and Water Services (Scotland) Bill and the Building (Scotland) Bill is not an excuse; it is simply my explanation for missing stage 2 committee meetings.

What lies behind amendment 1, which I may not press on hearing the convener's response, is the concern that I felt when I read section 6(2)(b). At the moment, the bill ensures that young people will have their views taken into consideration when the commissioner is deciding what work to undertake. I want to ensure that the voice of young people is a critical and continuing voice in the work of the commissioner. Young people should not be able to say only what they would like to see the commissioner doing; they should also be able to comment on the work that the commissioner is undertaking and to assess critically any work that has been undertaken in the past.

On the annual report being laid before the Parliament, I noticed that section 10(2)(d) states that the report will include

"the strategy for involving children and young people in the work of the Commissioner."

Will the convener of the committee assure me that we can ensure that the spirit of the bill relating to young people's continuing and critical voice in the work of the commissioner can be encompassed under that section, rather than under section 6(2)(b), which to me says that they will be able to comment only on forward planning rather than being able to assess critically work that has been undertaken?

I move amendment 1.

Karen Gillon: Section 6(1) places the commissioner under a general duty to encourage the involvement of children and young people in all his or her work. That is intended to ensure that the

work is informed by the views of children and young people. The committee derived the approach from our view that the principles of consultation, participation and accessibility should underpin all the commissioner's work.

My understanding of amendment 1 is that it is meant to place a further duty on the commissioner to consult children and young people in the context of current work, and any reviews thereof, as well as on future work. I understand that it also intends to ensure consultation with children and young people on the commissioner's annual report.

I do not think that the amendment achieves what it intends. If a review of work involves looking back at work that has been completed—which is my understanding of a review—the amendment does not seem to cover on-going work. As for annual reports, I suggest that the amendment would have been clearer if it had been explicitly linked to section 10, which deals with annual reporting.

I will say emphatically for the *Official Report* that consultation as a duty will be a constant and crucial part of the commissioner's work. If the commissioner is not consulting and involving children and young people in their work, that will be a fundamental failure. However, it would be unrealistic to expect commissioners to be permanently engaged in consultation about all work that is being carried out, as they would then be able to do nothing else. The issue is about creating the right balance in how the commissioner carries out consultation and engages in inquiries and reports to the Parliament to enable us better to serve the children and young people whom we seek to serve.

In addition, the amendment's apparent aim—in particular, its use of the words "any reviews"—would result in a degree of confusion with section 6(4), which stipulates that the commissioner

"must prepare and keep under review a strategy for involving children and young people ... in accordance with this section."

Any such confusion would not be helpful.

Finally, ambiguity in the wording of the amendment might raise expectations that what is intended is a review of the kind of work that the commissioner is remitted to undertake—that is, a review of the commissioner's powers. The committee gave that matter careful consideration before we concluded that such a provision was not necessary. Instead, we envisage that once the office is established, the commissioner will wish to use his or her experiences to judge whether the powers that we have given are adequate. That could then be brought to the attention of the Parliament through the annual report.

I hope that the member will accept that children and young people are at the heart of the commissioner's work and that consulting and involving them is imperative to the post's success or failure. Given my explanation and assurances, I hope that she will withdraw amendment 1.

Fiona McLeod: I am sorry that amendment 1 was perhaps not worded as carefully as it could have been. The amendment is a second draft and tries to ensure that the continuing voice of young people is heard. Given what the convener has said about that being the spirit of the bill—as I have always understood it to be—and her concern that amendment 1 would simply confuse matters, I seek leave to withdraw it.

Amendment 1, by agreement, withdrawn.

Section 7—Carrying out investigations

The Deputy Presiding Officer: Amendment 3 is in a group on its own.

Karen Gillon: Section 7 provides the commissioner with power to

“carry out an investigation into whether, by what means and to what extent, a service provider has regard to the rights, interests and views of children and young people in making decisions or taking actions that affect those children and young people.”

I have deliberately quoted the opening subsection, as it describes the limit of the power. The power is not—as has been suggested in some quarters—open ended.

The section also limits the areas and matters that are subject to investigation. In particular, it prevents investigations into matters that relate to a particular child or young person.

Mr Brian Monteith (Mid Scotland and Fife) (Con): I was intrigued by the member's comment, “as has been suggested in some quarters”. Will the member be more explicit and tell the chamber in which quarters that has been suggested?

Karen Gillon: Some people outside the Parliament have suggested that the provision makes the bill much more open ended. I want to make it clear for the *Official Report* what the intention of the bill is, to avoid confusion and the need for clarification in the future. As I have said, section 7 limits investigations and prevents them when such an investigation is the proper function of another person. It is intended to avoid duplication of effort and investigation into individual cases.

The amendment, which was first suggested by the Executive at stage 2, seeks to ensure that the policy that I have set out prevents any investigation by the commissioner into matters that are before a court or tribunal. The amendment will prevent the commissioner from investigating

decisions and actions taken in court or tribunal proceedings. It will also prevent the commissioner from investigating any matters that relate to proceedings currently before a court or tribunal. However, the amendment does not prevent the commissioner from investigating infrastructure matters: for example, the availability of various ways for children to give evidence to court.

I am grateful to the Minister for Education and Young People and to the Deputy Minister for Education and Young People and their officials for their assistance with the amendment.

I move amendment 3.

Donald Gorrie (Central Scotland) (LD): I would like clarification of the new section 7(c)(ii) that the amendment proposes, which would prevent the commissioner from investigating

“a matter which is the subject of legal proceedings before a court or tribunal.”

We can all recollect occasions on which MPs, MSPs or newspapers have made efforts to find out information about something and have been told, “It is sub judice; there is a law case.” The law case might, in a Dickensian manner, take years to start, and civil actions, once they start, can dribble on endlessly. I would not like the bill to include a provision that enables people who fear investigation by the commissioner to drum up a spurious civil action or to prolong an existing civil action merely to prevent an investigation.

I hope that Karen Gillon can give us some satisfaction and clarification on that point. I see what the amendment aims at, but I am worried about the provision being misused.

Karen Gillon: I will clarify the matter for the member as best I can. I would not want someone to pursue a spurious legal case for the sake of usurping the role of the commissioner either, but it would be inconceivable for the Parliament to pass a bill that would undermine the legal process in this country. I hope that the member will understand that the commissioner is not above the law and so will require to work within the parameters that exist. That means that if a case is before the court, it should be allowed to proceed and seek its rightful conclusion through the process to allow us to move on. To do anything else would lead us into a dangerous situation and would set a dangerous precedent.

Amendment 3 agreed to.

Commissioner for Children and Young People (Scotland) Bill

The Deputy Presiding Officer (Mr George Reid): The next item of business is a debate on motion S1M-3862, in the name of Karen Gillon, that the Commissioner for Children and Young People (Scotland) Bill be passed.

15:44

Karen Gillon (Clydesdale) (Lab): It is with great pride and honour that I will move the motion on behalf of the Education, Culture and Sport Committee. I begin with some wise words from Sir Walter Scott.

Mr Brian Monteith (Mid Scotland and Fife) (Con): A guid Tory.

Karen Gillon: The words good and Tory are not ones that I would naturally put together, but let us move on.

Sir Walter Scott stated:

"Children know—instinctive taught, the friend or foe".

What our bill will do is to create a friend—a powerful friend—for all of Scotland's children and young people.

The bill provides us with a once-in-a-generation opportunity: it gives us the chance to make a real difference by creating an independent, high-profile and influential post. The Commissioner for Children and Young People (Scotland) Bill will, I believe, prove the most significant legacy that we, the members of the first Scottish Parliament in 300 years, can leave our children and our children's children.

Children form one fifth of our population; they are the future on which Scotland will be built. Henry James said:

"To believe in a child is to believe in the future".

We will establish a commissioner who believes in children. In return, the commissioner will, I hope, come to justify the trust and respect that are placed in them. Our bill will put in place a commissioner armed not only with statutory powers, but with what my colleague Ian Jenkins called a "moral authority".

The very ethos of our bill is that the commissioner will be answerable to children and young people. The post of children's commissioner will be significant: it will give children and young people a voice and a power that have previously been denied to them. It is intended that the commissioner will make a difference to them and to them alone.

At stage 2, I recall that one member of the ad

hoc committee queried the title of the bill and asked whether something more child-friendly might not be preferable. Drafting convention does not allow us to call the commissioner post a "children's friend", but I assure the chamber that our bill will not create a mere ombudsman or faceless functionary. If that were the case, I for one would not have supported the bill that is before us today. I believe that we are putting in place an advocate, a campaigner, a champion—even a tsar. We are putting in place someone who will take the views of children and young people seriously and will put them at the top of his or her agenda.

To reiterate our position, I want to address briefly two other issues that were raised at stage 2. The first comes under the heading of co-operation. The job of the commissioner will be to promote rights—encouraging change rather than imposing it. In other words, we are talking about mainstreaming. To do that job well, the commissioner will need to develop working relationships with others to avoid duplication, minimise overlap and enable their post to perform effectively.

The second issue concerns investigations, which were the subject that generated most external comment on our bill. Given the onus on mainstreaming, we expect investigations to be a small but important part of the commissioner's work. The commissioner will not be able to investigate matters that are covered by the functions of other organisations; that is explicit in the bill. In doing so, the commissioner could allow other organisations to renege on their responsibility to take the views of children and young people seriously. However, there is nothing to prevent the commissioner from providing an input into an investigation by another body. That point brings me back to the importance of co-operation in the development of the children's commissioner post.

I want to convey some much-deserved thanks. First and foremost, I thank all the children and young people who contributed to our inquiry, some of whom are in the public gallery today. They deserve our particular thanks for the perspective and consideration that they brought to the bill. I hope that those children and young people will be happy with the work that the Parliament has done for them.

I also thank the agencies who gave evidence to the Education, Culture and Sport Committee under the Scotland for Children banner and others who have campaigned on the issue for more than a decade. Some of them are present in the public gallery today and their input and support were crucial.

Strangely, I thank members of the Scottish media who have raised awareness of the issue in many different quarters over the past number of years. Members of the Scottish media took the issue seriously and analysed it in some detail. They may not always have agreed with everything that was proposed, but they gave us the opportunity to have the debate in public. I thank them for that.

I also thank all members of the Education, Culture and Sport Committee, past and present, who made my life as convener a lot easier. I pay particular thanks to Jackie Baillie and Irene McGugan, who did such a great job as reporters to refine our policy and prepare the detailed amendments. I thank our wonderful clerks, past and present, who kept us right throughout the inquiry. I assure members that that was not an easy job.

I never thought that I would find myself thanking Kay Ullrich, but I do so for her capable stewardship of the ad hoc committee at stage 2. I also thank all members of the Commissioner for Children and Young People (Scotland) Bill Committee for their time and detailed scrutiny of the issues.

I thank the Minister for Education and Young People, whose support and enthusiasm we have very much appreciated, and I thank the Deputy Minister for Education and Young People for the work that he has done. I also thank the former minister, Sam Galbraith, whose input originally led us to consider our inquiry. I thank Alison Cleland, the adviser who saw us through most of the inquiry and our first report. Alison had a clear grasp of the subject and helped the committee to develop the arguments that we are making today. I thank our draftsman, whose excellent work produced such a clear and concise bill. Last, but not least, I thank the non-Executive bills unit, whose tremendous work rate and commitment to seeing the bill through enabled us to get to this point although many either hoped or believed that we would not make it. Our thanks go to all those without whom we would not have made it to this point.

Let me provide a brief reminder of how we arrived here. The Education, Culture and Sport Committee began its inquiry into the need for a children's commissioner in the spring of 2001. It reported in early 2002, produced a further report in the summer of 2002 and introduced the bill at the end of 2002. Should we agree to pass the bill this afternoon—and I guess that we will—a commissioner could be in place early in 2004.

The committee has always striven to make the process as accessible as possible. A press release at stage 1 from Scotland for Children said that the committee should be congratulated on its approach. It said:

"All of those involved have been impressed with the level of transparency, openness and consultation that has accompanied the progress of this Bill ... the Committee has clearly listened to the wide range of evidence presented by children and young people themselves, along with a wide range of agencies".

I have also been told that the manner in which we produced the bill is exactly what was hoped for from the new Parliament—and that comes from those in the voluntary sector, who have such high expectations of us. I think that we can take some pride in that.

I underline the fact that this is a committee bill and emphasise the benefits of the Parliament's ability to initiate legislation. It gives the committees the power, and the responsibility, not only to identify problems, but to come up with solutions and, rather than just talk about them, put them into practice. It gives those who are not members of the Scottish Executive the power to make positive changes, and it encourages members of committees to work constructively together, as it is only in that way that a committee can hope to produce its own legislation.

The Education, Culture and Sport Committee's approach to the bill has been one of consensus and co-operation. It takes more than rhetoric to develop policy and produce something useful and workable. I believe that we have done just that, and that we have shown that the new politics can work if we let it—something that will perhaps be forgotten in the coming month.

I will do a bit more name dropping, although I would not try to outdo Mike Russell's column in *The Herald*. Oscar Wilde said:

"I am not young enough to know everything."

How true. He also wrote:

"Few parents nowadays pay any regard to what their children say to them. The old-fashioned respect for the young is fast dying out".

We would be foolish not to accept the fact that children and young people have a superior knowledge of their world. Life has changed a lot since even I was a teenager, 16 years ago, and we must acknowledge and try to understand that change. Children and young people need to know that their knowledge is valued and that their opinions are worthwhile. We want a commissioner who will listen to their views, so that something can be done about their views instead of their being sprayed on a wall. In return, we should be able to expect children and young people to take their responsibility in the process seriously and to engage with the new post.

So, what does the bill do? I do not intend to dwell on the detail; we have been going over it for a long time. In short, the bill establishes a commissioner who will be independent; publicly

funded; remitted to promote the rights of children and young people; obliged to encourage the involvement of children and young people in his or her work; and under a duty to report to the Parliament with any recommendations. To whom will the work of the commissioner be most relevant? Naturally, it will relate to schoolchildren, teenagers, young people in care, toddlers, everyone up to the age of 18 and those up to the age of 21 who have been looked after by a local authority. Of course, the bill will be of interest to parents, teachers, child care workers, social workers, community education workers, health professionals and anyone who works or deals with children. Undoubtedly, the bill will also concern us, as politicians, and our officials, service providers and the media—in other words, all of us who make and shape policy.

Children are not only our future, they are our present, and we must start to take their views seriously. We must give them every opportunity to speak and we must listen carefully to what they have to say. We must encourage them to participate in the decision-making processes that affect their lives. The principles of consultation, participation and accessibility underpin the bill.

Of course, we can always learn from the experience of others. We took evidence from children's commissioners throughout Europe, including Wales, and we have kept an eye on developments in Ireland. Recently, I met Trond Vaage, the Norwegian ombudsman for children. He highlighted several approaches that our commissioner might follow: flexibility, creativity, innovation, agenda setting and having children rather than professionals in the driving seat. He also emphasised the fact that there should be no hidden agenda if the commissioner is to have credibility, which is crucial for earning children's trust.

As I have said in previous debates, I was originally in the sceptics' camp on the need for a children's commissioner. I did not believe that we should create another talking shop. The evidence that I heard during the committee's inquiry changed that view. Becoming a mother perhaps also played its part. I want us all to consider the bigger picture and to take a cultural perspective because, as a society, we have a rather contradictory view of children and young people. We regard them either as angels or as devils, who are to be protected or punished.

The unhappy reality is that children tend to be treated in the adult world as if they were invisible beings and not even seen, never mind heard. That is true for all children and young people, but particularly for those who are marginalised and vulnerable. We believe that the commissioner, in speaking for all children, must ensure that all

voices are heard. The fantastic Dr Seuss once suggested that adults are obsolete children. I hope that we will stop treating our children as incomplete adults.

I have a final quote. According to Robert Louis Stevenson, "Youth is wholly experimental." If that is the case, let us do everything possible to make it a safe, happy and successful experiment for clann na h-Alba, which, for Mike Russell's information, is Gaelic for children in Scotland.

It gives this obsolete child great pleasure to move the motion. I move,

That the Parliament agrees that the Commissioner for Children and Young People (Scotland) Bill be passed.

The Deputy Presiding Officer (Mr Murray Tosh): I call Nicol Stephen to speak for the Executive. I will give everyone else a notional five minutes, but we have a bit of time in hand.

15:58

The Deputy Minister for Education and Young People (Nicol Stephen): I congratulate Karen Gillon and the other members of the Education, Culture and Sport Committee on the work that they have done in progressing the bill to establish a commissioner for children and young people.

At the start of her speech, Karen Gillon talked about "wise words" in reference to Sir Walter Scott. I give special mention to Ian Jenkins and thank him for his many wise words in the committee and the chamber. [*Applause.*] He is about to stand down from the Parliament, but I emphasise how much I have valued his support and how widely respected, I believe, is his contribution to the work of the Education, Culture and Sport Committee and the Parliament.

The Education, Culture and Sport Committee responded to a request from the Scottish Executive to consider the case for establishing a children's commissioner in Scotland, but I guess that the committee decided to go one better than that by driving forward and creating a children's commissioner. The committee made the case effectively and has progressed a bill that will ensure that Scotland will have a commissioner for children and young people. I think that MSPs from all sides of the chamber will strongly support the bill; indeed, I am reliably informed that what might appear to be the rather unusual combination of Margaret Ewing and Jim Wallace pushed—during the progress of the Children (Scotland) Bill in 1995—Lord James Douglas-Hamilton to introduce a children's commissioner.

In the final week of the parliamentary session, it is worth reflecting for a moment on Parliament's achievements. Parliament's creation has allowed

us to consider children's issues in a way that was not possible previously. Many would argue that there was a gap of too many years after 1995—until the new Parliament—before children's issues returned to being high on our list of priorities. The creation of the Scottish Parliament has allowed us to introduce legislation that will meet the needs of children and young people—children should be at the heart of Parliament's agenda. The Executive is committed to building a Scotland in which every child matters and in which every child and young person can realise their potential. That is why we all support the establishment of the new commissioner.

The commissioner for children and young people will help to give a powerful voice to the most vulnerable and disadvantaged children in Scotland and will help to tackle child poverty and exploitation. Too many tragic and harrowing cases of the system failing children in Scotland still occur. It is important that we support all children and young people, but the commissioner will be able to make the greatest impact by focusing on our most vulnerable children.

I welcome the bill's emphasis on involving and consulting children and young people. I was interested in what some young people said when they were asked about the role of a commissioner for children and young people. They said that they wanted a commissioner who would "change people's attitudes", and who would

"help children be heard in Scotland".

They wanted a commissioner who would

"promote the rights of children. Make sure everyone knows."

One participant said that

"children might have ideas which could change Scotland but how will they know"

if nobody asks.

The Parliament has a good record on including children and young people, but it must go further. A commissioner for children and young people will help us all to drive forward the agenda. It is vital that our commissioner engages with children and young people to find out what matters to them and what their priorities and concerns are. Only by doing that effectively will a commissioner reflect the views and priorities of children and young people.

It is important that the commissioner should do all that is reasonably possible to include children who might be harder to reach, such as children who might have communication difficulties, whose first language is not English, who are from an ethnic minority or who have disabilities.

The commissioner will need to build strong links with other agencies to avoid duplication of work

and to ensure that he or she adds value and is used in the most effective way. I am sure that a commissioner will want to build on the expertise of existing organisations and to develop solid co-operative working arrangements with other agencies and ombudsmen. A strong focus should be placed on the commissioner's work with the many excellent voluntary sector organisations that work with young people.

I am convinced that a commissioner can make a major difference to the lives of children and young people; the bill sets the framework for that. Today marks the end of the bill process and the start of a major new development for Scotland's children. I am pleased to support the establishment of the first commissioner for children and young people in Scotland.

16:03

Irene McGugan (North-East Scotland) (SNP):

Anyone who needs to be convinced of the varied nature of the legislation that the Parliament is passing could do worse than look at our business programme for this afternoon. In the space of an hour or two, we have considered the Council of the Law Society of Scotland Bill, the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill, the National Galleries of Scotland Bill and the Commissioner for Children and Young People (Scotland) Bill.

All members of the Education, Culture and Sport Committee share my satisfaction that we have successfully produced our first committee bill, which is an achievement in itself, but we are also mindful that the bill is significant. It has special significance not only for the MSPs who were involved in shaping it, but for the many individuals and organisations throughout Scotland that campaigned for such a post for many years.

The committee took a deliberate decision early to involve as many representatives of children's organisations from all sectors as possible when the bill went through its earlier legislative stages. That had benefits for everybody concerned, because information was shared and concerns were raised in an on-going and open way. I have no doubt that that is why stage 2 was short and sweet and why there have been only three amendments today. I whole-heartedly commend that process to any other committee that initiates a bill.

It would be remiss of me not to thank the ministers and the Executive for their support. Progress would undoubtedly have been considerably slower and much less smooth without such endorsement of our intentions. I also endorse the convener's thanks to everyone else involved, especially the committee's clerking team

and the non-Executive bills unit, whom I thank for their considerable assistance.

However, as others have said, the most important contributors were, perhaps, the many children and young people who participated in our consultation events, focus groups, videos and all the other things that we arranged: their views have been very influential. I hope that they know that and realise that their contributions have been genuinely valuable.

I, too, am pleased that so many young people have been in the public gallery this afternoon. Of course, their contribution does not stop with the bill. We have made great efforts to incorporate into the bill the ethos that their continuing input is vital. The office's work will at all times be informed by the views of children and young people; indeed, the bill contains a duty to involve them.

There was initially some concern that the commissioner might be merely another layer of bureaucracy. That is not the case: the commissioner will be a new, significant and unique office and will provide a focused approach to promoting and safeguarding the rights of children and young people. The provisions of the United Nations Convention on the Rights of the Child will underpin the work.

The commissioner will also be powerful. That power will derive from being a statutory creation, from being independent of the Executive and the Parliament, from being credible—with children and young people driving work and prioritisation—and from the political input that exists in a direct route to Parliament through the commissioner's duty to report. That will all contribute to the establishment of a real champion of children's rights who is genuinely in touch with the issues that are of concern to young people and the organisations that represent them.

A number of young people have asked when the bill will become law and the commissioner will be in office. If the Parliament agrees today that the bill be passed, a commissioner could be in office by early 2004. After so many years of waiting, it is very good to have such a definite time scale.

The bill can be a lasting legacy of the Parliament for future generations. There can be no better role for a Parliament than to improve the situation of Scotland's children and young people, to promote their involvement in the legislative process and to encourage them to see the Parliament's relevance. We trust that that will contribute positively to how our young people relate to wider society.

As one young person said,

"The Commissioner isn't someone standing up for you, it's someone to help you stand up for yourself."

I hope sincerely that that will be the case. I ask members to vote for the bill.

16:08

Mr Brian Monteith (Mid Scotland and Fife)

(Con): I am pleased to support the bill. I remember Jackie Baillie's reaction the first time I announced my support—I swear that I saw her face change. My support did not seem to be quite right and she was rather surprised because I, like Karen Gillon, had been in the sceptical camp. However, the bill and the preceeding inquiry convinced me that the bill was the right way to proceed.

The bill needed to be limited in its ambition. A number of people felt and still feel that the bill should go further, but it has struck the right balance in seeking to provide for a commissioner for children and young people who will, in general, seek to safeguard children's rights.

The bill is a model for future committee bills, especially given the way in which its market or consumers—the children—were consulted. We should pay due regard to the work of the clerks and the parliamentary officers in helping to organise that consultation.

For Conservatives, one of the advantages of committee bills is that they allow us to have a hand in shaping the legislation that reaches the statute book while we are in Opposition. Of course, we will not need to use committee bills for that after 1 May. [MEMBERS: "Hear, hear."] I was just trying to lighten the debate a little there—[*Laughter.*—and I appreciate the laughter, canned or otherwise.

The bill has achieved what it set out to do—it does what it says on the tin. There was, initially, some disagreement in the Education, Culture and Sport Committee, but we have achieved what committees are often conceived to do: we achieved consensus. In this case, consensus was not achieved by sacrificing principles, but by debating and discussing the issues and finding out what we agreed on. That is what consensus should be about.

It is important that we pay tribute to the non-Executive bills unit, which worked so hard for the committee, and to the clerks that supported the committee. We should also pay tribute to Jack McConnell who, after some lobbying, decided that it was better that he did not take it upon the Executive to take charge of the bill. It was good that he did not do that, because I fear that it might then have become a more partisan project, which would not have benefited Scotland's children.

For all those reasons, I am pleased that the bill has reached this stage. The bill has good

intentions behind it; I think that it will live up to those intentions and that it is worthy of Parliament's support.

16:12

Jackie Baillie (Dumbarton) (Lab): I welcome all converts, even Brian Monteith, but I doubt that I will ever again be surprised by his actions.

What do children have to do with politics? In some cases, everything and, in others, very little. It is time for that to change. Almost every time the Parliament passes a bill, it has an impact on children somewhere along the line. With a few notable exceptions, children are often overlooked in the decision-making process, so I am proud to say that the Commissioner for Children and Young People (Scotland) Bill is one such exception. Children have been listened to during the drafting of the bill and we can now ensure that they continue to be heard.

I believe that a commissioner will make a significant difference to Scotland's children. The commissioner will be an individual who has access to policy makers and who has listened to children. The commissioner will be a champion for children and will advocate their views and concerns. As we have heard, the bill is the product of long consultation of children and those who work with children.

I take this opportunity to add my thanks to all those who took the time to help us in the bill's development, from voluntary organisations—who have campaigned for such legislation for at least a decade—to local authorities and children of all ages. The bill shows the considerable potential of Parliament's committees. Committees can—I point out to Brian Monteith—do more than provide an opportunity for party-political rantings. There has been a great deal of co-operation and consensus on the bill at every stage.

I echo the comments that were made by the convener of the Education, Culture and Sport Committee: we owe a special debt of thanks to the non-Executive bills unit which was, I confess, pushed to the very limit of its endurance. However, its staff came through on the other side still smiling. I also thank the committee's clerks, who helped to keep the show on the road. It is also necessary to thank the Minister and Deputy Minister for Education and Young People and the Scottish Executive for their support in getting the bill through.

Let us step back, however, and remember why we are doing this. The Labour party has long believed that the provision of good co-ordinated children's services is key to the delivery of our social justice agenda for children. We believe firmly that there must be a clear and accountable

approach to children's services, which is why we support the establishment of a children's commissioner as a champion who will fight for children's interests. We are doing this in recognition of the fact that the protection of children is an on-going issue and that, as the social environment changes, so do the challenges that are faced by children.

Although a host of new opportunities are available to children today, there are also new dangers through the internet, drugs or crime, and children are now more likely than ever to be brought up in broken families. Consequently, they are more likely than ever to need support and they must, as vulnerable members of our society, be protected. It is all too easy for us, as politicians, to get caught up in an adult-centric world. A children's commissioner will keep us in touch with our children's changing world.

We are also introducing the measure because we do not want to wait for a fatal inter-agency communications failure. As yet, no individual or office has been dedicated solely to children, with the job of monitoring the system as a whole and constantly working to improve it. We have the opportunity to change that and to take seriously our commitment to children's welfare. Yes—the commissioner will have the power to investigate underperformers, but improving services is about more than naming and shaming. With so many dedicated and efficient staff in the children's sector, we must learn from each other and share best practice. The commissioner's role in supporting research to develop our service will be very important.

It is crucial that the commissioner's post has been developed with a proactive role in mind. He or she will work to promote children's rights not only with services but with members of the public. The commissioner's independence will ensure that the welfare of our young is never marginalised. Rights are rights, not only when the political climate is right and there is space on the agenda, but all the time and every time.

It seems that it is a day for quotations, so I will continue that theme. Cyril Connolly said:

"Always be nice to those younger than you, because they are the ones who will be writing about you".

Kids are much more sophisticated these days. Sweets might have done the trick for our generation, but if we want to be remembered kindly, we had better aim a bit higher. Perhaps the appointment of a children's commissioner is a reasonable start. However, I can think of better reasons to support the bill. Those reasons include the 11,000 children without a voice who are looked after by the state, the 9,000 runaways each year and the 2,000 children who went through the

children's hearings system last year for youth crimes. Those children need the support of quality services and of a society that respects their rights and we can make that happen today. I urge the Parliament to build on the work that the Executive has already done to improve the lives of children throughout Scotland and to support the bill.

The Deputy Presiding Officer: It might be of assistance if I say that five members have indicated that they would like to speak in the debate. It is possible that we will reach decision time between 25 and 30 minutes from now. I call Ian Jenkins, to be followed by Mike Russell.

16:18

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): I intend to be kind to the younger people, as every other member of the Education, Culture and Sport Committee is younger than I am.

I am grateful to the minister for his kind remarks and endorse the comments that all my colleagues have made. I do not intend to keep the chamber long. Over recent months, we have rehearsed fully the arguments in favour of the appointment of a commissioner for children and young people. I am sure that today we will move to put the bill firmly on the statute book.

I add to the tributes that have been paid to our clerking team, our advisers and the many witnesses—including the children—who contributed to our thinking on this matter. I pick out for special mention Karen Gillon's leadership of the Education, Culture and Sport Committee. The comprehensive and powerful speech that she made today brought that to a head and showed the invaluable work that she has done. I also commend the invaluable work that Irene McGugan and Jackie Baillie did with the non-Executive bills unit and the work of the ad hoc committee that brought the bill to its final stage.

I will not discuss all the principles of the appointment, but I take this opportunity to remind the chamber that the idea of a children's commissioner was suggested in the House of Commons in 1995 by Jim Wallace, during consideration of the Children (Scotland) Bill. It is, therefore, a particular pleasure to be here when the commissioner's post, which is a Liberal Democrat policy, will be established. I believe that this Parliament—including Nicol Stephen, ministers who are not here and past ministers, together with the Education, Culture and Sport Committee—has a good record in considering the interests of children in our legislative programme. I believe that the establishment of a commissioner is a fitting conclusion to our work in this first session of the Scottish Parliament.

As we were reminded in the title of a recent policy document, it is everyone's job to see that our children are well looked after. Behind the bill lies a principle, which is the parliamentary equivalent of the biblical evocation:

"Suffer the little children to come unto me."

We mean all the children of Scotland, because we owe it to them and to ourselves to cater for the poor, the disadvantaged, the weak and the vulnerable and to ensure that their rights are protected and maintained.

In an earlier debate, I was reluctant to say, although it was true, that the establishment of the commissioner would be a monument to our work in the Education, Culture and Sport Committee. The word "monument" seemed too lifeless and static. I was also reluctant to say, although it was true, that he or she would be a figurehead, because that too might have suggested a lack of mobility and positive action. However, I believe that the creation of the commissioner's post can rightly be regarded as a symbol of the Parliament's commitment to children and to providing justice and opportunity for all our children. I am convinced that that symbolism is important.

Nevertheless, the commissioner himself or herself and the young people with whom he or she will interact will provide the driving force to give the proposals the strength and the comprehensive status that we and others have envisaged in the creation of the post and, as Karen Gillon reminded me, the moral authority that we intend the post to have. For that reason, I sincerely hope that the Parliament will go on in the new session to appoint a strong commissioner who establishes a positive rapport with the Parliament and with all the agencies that have responsibility for looking after children in Scotland.

The independence of the commissioner is vital, and I have every confidence that he or she will value and cherish that independence. I hope that we as politicians will also cherish it and will not seek to influence the commissioner's agenda for any purpose other than the better protection and welfare of children in Scotland.

As I come to the end of my service on the Education, Culture and Sport Committee, I feel privileged and proud to have played a part in the work of the committee and the Parliament. At the risk of offending and upsetting some of my party colleagues and others around the chamber, I wish all members of the committee good fortune in order that they and other colleagues can continue in the next session the good work that we have started in this one. Let us go ahead and pass the bill to produce a champion for children and young people in Scotland.

The Deputy Presiding Officer: Contrary to what I said before, I call Fiona McLeod, to be followed by Donald Gorrie.

16:23

Fiona McLeod (West of Scotland) (SNP): Yes indeed, I am not Mike Russell. Nor am I Irene McGugan; Irene and I are often confused with each other and I am delighted that we have, over the past few years, been able to work together on children's issues. I am not Margaret Ewing, who, as Margaret Bain, championed the cause for a children's commissioner when she was in Westminster.

I am absolutely delighted that we can have this debate and that we are considering the bill. One of the things that delights me most about the bill is the fact that it is underpinned by the United Nations Convention on the Rights of the Child. I support many articles in that convention, but article 12, which says that we must listen to and hear what young people say, is one of the most important and is fully integrated into the bill.

We all know that young people have strong opinions, not just on what happens to them but on the world around them. Recent events have shown just how articulate young people can be on all sorts of important issues. I am glad that that underpins the Commissioner for Children and Young People (Scotland) Bill.

I am also glad that the establishment of the commissioner's post comes from a positive desire, rather than, as Jackie Baillie said, as a reaction to a terrible situation in which other agencies have failed our children. We know that failures in the past have motivated many of us towards the appointment of a commissioner. It is exceptional that we are appointing a commissioner for all the positive reasons.

In the past few weeks, as we have come to the end of the parliamentary session, I have been asked by journalists and members of the public which of the achievements of the past four years we in the Parliament are most proud of. I am sure that many other members have been asked that question, too. The appointment of a commissioner for children and young people in Scotland in our first Parliament in 300 years must rank near the top of our list of such achievements.

If my reading of the business bulletin is correct, the Commissioner for Children and Young People (Scotland) Bill will be the final piece of legislation to be passed in the first session of the Parliament. That will be a fitting end to the first session.

I wish any future commissioner well and I wish her or him many happy hours of debating with the young Scots of Scotland what they want. I would

like to issue the first invitation to the commissioner. When she or he takes up the appointment, I ask her or him to come to the big sister room of Westerton junior youth club to hear the demands for leisure facilities for young people in Westerton.

16:26

Donald Gorrie (Central Scotland) (LD): As someone who—before the Parliament was set up—was involved with the various youth organisations in planning to achieve what we are achieving today and someone who has not taken any part in all the hard work in the Parliament, I pay great tribute to the people who have done that hard work and have produced an excellent result.

To avoid trespassing on the excellent comments that have already been made, I will pick up on two points. First, I pay tribute to the various lobbying and pressure groups that are involved with young people and children. They are among the more successful groups that come to try to persuade us in a certain direction. It is very important that they keep up their good work.

Secondly, I hope that the commissioner will assist in a process that has started but still has a long way to go—the process of encouraging young Scots to have more self-confidence and self-esteem. One of the great tragedies of Scotland in recent decades has been that many young people have not fulfilled their potential because of peer-group pressure and fear of standing out or of putting their head above the parapet. That has meant that they have not achieved what they could have achieved.

In many ways, the commissioner will be able to promote that aim and to give people the self-confidence to play a real part in the community, to take on leadership, to develop ideas and to influence their communities, for example. That is already beginning to happen; I am sure that members have experienced it at local level. However, there is a long way to go and I hope that the bill, through the creation of the commissioner, will help. The commissioner will prod us into doing the right things, will prod various communities and will prod groups of people into not talking down young people, but encouraging them to fulfil their potential.

The work that we are doing today is very important and I strongly commend the bill.

16:28

Michael Russell (South of Scotland) (SNP): I echo the minister's tribute to Ian Jenkins, who is the only member of the Education, Culture and Sport Committee who is choosing not to return to the Parliament. It has been a great pleasure to

work alongside him. Members who know him well know about his idiosyncratic approach to deciding how to vote in any committee. Most of the time, one is on tenterhooks wondering whether he will vote with one or against one. Sometimes he manages to do both. He will be greatly missed by many of us.

The bill illustrates two aspects of the Parliament, one of which is a determination to achieve things for the people of Scotland. Brian Monteith was right to say that, when the committee received the Executive's memorandum about a children's commissioner, it decided that the best way to tackle that important issue would be to work across the parties to see whether progress could be made in such a way that there was no division in the Parliament. By and large, we have achieved that and the bill is testimony to that.

I will not echo every thank you that the convener gave, although I agree with them all, but I want to pick out three people in particular who should be thanked. The first is the convener, Karen Gillon, who steered the process through. She did that first as deputy convener and then as convener of the committee—although she has been absent on two occasions for the best of reasons. Latterly in particular, she has had a difficult task in getting the bill through in the time available and she has done remarkably well. I also pay tribute to Jackie Baillie and Irene McGugan, who took on the burden of the work connected with the bill by being involved in the long, detailed and never-easy negotiations with the non-Executive bills unit and the Executive. They did exceptionally well. Those people and the committee have shown that, where there is a will, things can be done.

The other thing that the bill says about the Parliament is the historical continuity in which we stand. The last bill that we will pass today, on a fairly remarkable afternoon, is a thoroughly modern bill, which, as Fiona McLeod indicated, has its roots in the UN Convention on the Rights of the Child. It is particularly important to reflect on that today, at a time when the rights of children in other parts of the world are being threatened. What we do here this afternoon is concerned not only with Scotland, but with showing the determination of many people to support the rights of children throughout the world. We are taking a thoroughly modern and contemporary action.

Only an hour ago, we were repealing one part of the Theft Act 1607, which was passed before the Act of Union 1707. Members all know this, so perhaps there is no need for me to repeat it, but the bit of that act that we repealed was concerned with the theft of fish and bees. However, members will be pleased to know that the bit about the stealing of bees has been retained on the statute book—I mention that in case any members were

thinking of trying to get away with stealing bees this afternoon.

Dennis Canavan (Falkirk West): Is that a capital offence?

Michael Russell: It is not a capital offence as yet—although, with the present Prime Minister, one never knows what will happen next.

There is a historical continuity in this Parliament, which stands in a direct line of succession to the Parliament before the Act of Union 1707, and which stands as a Parliament for the future of Scotland, however that future may turn out. There are differences on that issue across the chamber, but however they turn out, the type of action that we have taken this afternoon is an important part of the process. We have established something new in Scotland that will serve the children of Scotland well. However different that pre-union Parliament was, it too contained people who wished Scotland to do well.

I want to finish with one thought, which I hope is not a sour note—I will try not to make it one—about the four bills that we have considered this afternoon. One of those bills was introduced two weeks before the Gaelic Language (Scotland) Bill, one was introduced two weeks after it and one was introduced three weeks after it. Certain people in the Parliament believed that we did not have enough time to pass that bill, but, as I have said, where there is a will, there is a way. I hope that the Parliament finds the will before too long to do some good for the Gaelic-speaking people of Scotland as well.

The Deputy Presiding Officer: I have received a request late in the day from Robin Harper, who wants to contribute. There is time in hand, so I will allow Robin Harper to speak.

16:33

Robin Harper (Lothians) (Green): As someone with an involvement in youth work from the age of 16, and as a former member of the children's panel and a member of the cross-party group on children and young people, I want to record my party's enthusiastic support for the bill, which is a forward-looking and extremely useful piece of legislation. I also record my admiration for Ian Jenkins and wish him well in the future. I pay tribute to Irene McGugan and Jackie Baillie. In particular, I thank Irene McGugan for her wonderful work on the cross-party group for children and young people.

16:34

Cathy Peattie (Falkirk East) (Lab): I thank all the members who have contributed to this afternoon's debate. Karen Gillon has already given

thanks and appreciation to the list of all the folk who worked on the bill. As Ian Jenkins said a few minutes ago, it is also worth thanking Karen Gillon for her work in stewarding the bill and ensuring that it was going in the right direction. She brought her personality and enthusiasm to the task and took time to speak to the young people when they were gathered here in the chamber. The way in which she established a rapport with the young people is worth noting.

A number of members commented on the role of the Parliament's committees. Brian Monteith suggested that the way in which the bill has been handled should be a model for future committee bills. As others have noted, committee members worked well together. There were areas on which we did not agree, but we managed to find common ground and to work together in a spirit of consensus to progress the bill.

I hope members will forgive me for what I am about to say but, although the Parliament's committee system is important, I believe that the bill would never have reached the stage that it has reached today were it not for the fact that 37 per cent of MSPs are women. Some of the legislation that has been passed and some of the debate that we have had have happened because we women are here. We are good for everyone else. I hope that the percentage of women will rise above 37 per cent following the election.

I turn to the issues that members have raised and I thank them for their contributions. Nicol Stephen said that the commissioner will challenge attitudes about children. That is important, because we have a negative attitude towards our children. Our society seems to fear its children and we must do something to change our attitudes in relation to children and young people.

Irene McGugan praised young people for gathering evidence. There are young people in the gallery today and they have been with us through every discussion on the children's commissioner. They have told us what they want to be included in a children's commission.

Many children and young people, voluntary organisations and others have been involved in giving us their ideas of what should happen with a children's commissioner. I do not think that we would have reached this stage without their help, particularly the help of the voluntary organisations that ensured good participation with young people. They ensured that young people were not herded in and talked at for a few hours in the spirit of consultation, which seems to be the norm for consultations in this country. We managed to change some of that and we can use that good practice in future consultations.

The children's commissioner will be a new, significant and unique office, providing a focused

approach to the promotion of the rights of young people and children. The office will be significant, because the commissioner will be in a position to influence decision making at the highest level. The office will be unique, because the commissioner will combine breadth of remit, independence and statutory status. It will cover all children and its work will be informed by children and young people. It will also have powers to conduct investigations. The commissioner will be a focal point for children's issues for the media and policy makers and will be able to make a real difference to the lives of young people in Scotland.

As I said, we live in a society that seems to be afraid of children and young people. Many are happy to discuss youth justice, and that is often quite right, but such discussion means talking about a small minority of children and young people. We have to get beyond talking about young people to a stage where we are talking with them and listening to what they have to say.

The commissioner will build networks with those organisations that have an interest in children and young people. More important, the commissioner will build communication links with kids in our country. All children, including those who are harder to reach, should have a voice.

As Jackie Baillie said, children today are open to all kinds of exploitation—political and from the media, the private sector, the internet and drugs. Our children are facing all those issues. We must give them a voice and an opportunity to have that voice heard. As has been said, the commissioner's role will be not just to speak up for children, but to help them to speak up for themselves. That is one of the most important parts of the bill.

As Mike Russell said, we are at an historic stage. We are implementing new and positive legislation that will promote the rights of children and young people in this country.

I thank all members for their support and I urge them to support the bill. With their support, there will be a commissioner for children and young people in Scotland.

European Economic and Social Committee

16:39

The Presiding Officer (Sir David Steel): The next item of business is consideration of the Scottish Executive's nominations to the European Economic and Social Committee.

Motion moved,

That the Parliament notes with regret the resignation of Professor Robert Grant Baird from the United Kingdom delegation to the European Union's Economic and Social Committee and endorses the Scottish Executive proposal to nominate Mr Brendan Burns, Dr Grahame Wright and Mr Anthony Tucker to the delegation to the committee.—[*Peter Peacock.*]

Motion without Notice

16:40

The Deputy Minister for Parliamentary Business (Euan Robson): On a point of order, Presiding Officer. I seek leave to introduce a motion without notice to bring forward decision time.

The Presiding Officer (Sir David Steel): I am happy to accept such a motion. I take it that the chamber is also happy to accept it.

Members indicated agreement.

Motion moved,

That, under Rule 11.2.4 of Standing Orders, Decision Time on Wednesday 26 March be taken at 4.40 pm.—[*Euan Robson.*]

Motion agreed to.

Decision Time

16:40

The Presiding Officer (Sir David Steel): If there are any divisions, I will give one minute for the first vote. The first question is, that amendment S1M-4057.1, in the name of Andrew Wilson, which seeks to amend motion S1M-4057, in the name of Iain Gray, on the Scottish economy, 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)
Crawford, Bruce (Mid Scotland and Fife) (SNP)
Ewing, Dr Winnie (Highlands and Islands) (SNP)
Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
Ewing, Mrs Margaret (Moray) (SNP)
Fabiani, Linda (Central Scotland) (SNP)
Grahame, Christine (South of Scotland) (SNP)
Hamilton, Mr Duncan (Highlands and Islands) (SNP)
Harper, Robin (Lothians) (Grn)
Ingram, Mr Adam (South of Scotland) (SNP)
MacAskill, Mr Kenny (Lothians) (SNP)
Marwick, Tricia (Mid Scotland and Fife) (SNP)
Matheson, Michael (Central Scotland) (SNP)
McGugan, Irene (North-East Scotland) (SNP)
McLeod, Fiona (West of Scotland) (SNP)
Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
Neil, Alex (Central Scotland) (SNP)
Paterson, Mr Gil (Central Scotland) (SNP)
Quinan, Mr Lloyd (West of Scotland) (SNP)
Robison, Shona (North-East Scotland) (SNP)
Russell, Michael (South of Scotland) (SNP)
Stevenson, Stewart (Banff and Buchan) (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)
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)
Davidson, Mr David (North-East Scotland) (Con)
Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
Douglas-Hamilton, Lord James (Lothians) (Con)
Eadie, Helen (Dunfermline East) (Lab)
Ferguson, Patricia (Glasgow Maryhill) (Lab)
Fergusson, Alex (South of Scotland) (Con)
Finnie, Ross (West of Scotland) (LD)
Gallie, Phil (South of Scotland) (Con)
Gillon, Karen (Clydesdale) (Lab)
Godman, Trish (West Renfrewshire) (Lab)
Goldie, Miss Annabel (West of Scotland) (Con)
Gorrie, Donald (Central Scotland) (LD)
Grant, Rhoda (Highlands and Islands) (Lab)

Gray, Iain (Edinburgh Pentlands) (Lab)
 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, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Johnstone, Alex (North-East Scotland) (Con)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (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)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, 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)
 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)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 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)

The Presiding Officer: The result of the division is: For 27, Against 74, Abstentions 1.

Amendment disagreed to.

The Presiding Officer: The second question is, that amendment S1M-4057.2, in the name of Miss Annabel Goldie, which seeks to amend motion S1M-4057, in the name of Iain Gray, on the Scottish economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Aitken, Bill (Glasgow) (Con)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Scott, John (Ayr) (Con)
 Tosh, Mr Murray (South of Scotland) (Con)

AGAINST

Adam, Brian (North-East Scotland) (SNP)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 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)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grahame, Christine (South of Scotland) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Harper, Robin (Lothians) (Grn)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McAllion, Mr John (Dundee East) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeish, Henry (Central Fife) (Lab)
 McLeod, Fiona (West of Scotland) (SNP)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morgan, Alasdair (Galloway and Upper Nithsdale) (SNP)
 Morrison, Mr Alasdair (Western Isles) (Lab)

Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Neil, Alex (Central Scotland) (SNP)
 Oldfather, Irene (Cunninghame South) (Lab)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Radcliffe, Nora (Gordon) (LD)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Russell, Michael (South of Scotland) (SNP)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)
 Wilson, Andrew (Central Scotland) (SNP)

ABSTENTIONS

Elder, Dorothy-Grace (Glasgow) (Ind)

The Presiding Officer: The result of the division is: For 14, Against 86, Abstentions 1.

Amendment disagreed to.

The Presiding Officer: The third question is, that motion S1M-4057, in the name of Iain Gray, on the Scottish economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 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, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (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)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McLeish, Henry (Central Fife) (Lab)
 McMahon, 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)
 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, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

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)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North-East Scotland) (Con)
 MacAskill, Mr Kenny (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)
 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)
 Scott, John (Ayr) (Con)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Ullrich, Kay (West of Scotland) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Elder, Dorothy-Grace (Glasgow) (Ind)
 Harper, Robin (Lothians) (Grn)

The Presiding Officer: The result of the division is: For 60, Against 43, Abstentions 2.

Motion agreed to.

That the Parliament endorses the Scottish Executive's policy to increase the sustainable growth of Scotland's economy over the long term as set out in *A Smart, Successful Scotland* and believes that this, along with the investment in Scottish transport infrastructure outlined in *Building Better Transport* and the introduction of education for work and enterprise for every pupil at every stage of school to create a culture of aspiration and entrepreneurship, will deliver increased prosperity, thus providing resources for first-class public services and a more socially just and sustainable Scotland.

The Presiding Officer: The fourth question is, that motion S1M-4055, in the name of David McLetchie, that the Council of the Law Society of Scotland Bill be passed, be agreed to.

Motion agreed to.

That the Parliament agrees that the Council of the Law Society of Scotland Bill be passed.

The Presiding Officer: The fifth question is, that motion S1M-4004, in the name of Colin Boyd, that the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill be passed, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (North-East Scotland) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Campbell, Colin (West of Scotland) (SNP)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)

Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Grahame, Christine (South of Scotland) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Henry, Hugh (Paisley South) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Johnstone, Alex (North-East Scotland) (Con)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McAllion, Mr John (Dundee East) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeish, Henry (Central Fife) (Lab)
 McLeod, Fiona (West of Scotland) (SNP)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Neil, Alex (Central Scotland) (SNP)
 Oldfather, Irene (Cunninghame South) (Lab)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Radcliffe, Nora (Gordon) (LD)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Russell, Michael (South of Scotland) (SNP)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stevenson, Stewart (Banff and Buchan) (SNP)

Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)

Thomson, Elaine (Aberdeen North) (Lab)

Tosh, Mr Murray (South of Scotland) (Con)

Ullrich, Kay (West of Scotland) (SNP)

Wallace, Mr Jim (Orkney) (LD)

Watson, Mike (Glasgow Cathcart) (Lab)

Welsh, Mr Andrew (Angus) (SNP)

White, Ms Sandra (Glasgow) (SNP)

Whitefield, Karen (Airdrie and Shotts) (Lab)

Wilson, Allan (Cunninghame North) (Lab)

Wilson, Andrew (Central Scotland) (SNP)

Young, John (West of Scotland) (Con)

AGAINST

Canavan, Dennis (Falkirk West)

Harper, Robin (Lothians) (Grn)

ABSTENTIONS

Ewing, Mrs Margaret (Moray) (SNP)

The Presiding Officer: The result of the division is: For 96, Against 2, Abstentions 1.

Motion agreed to.

That the Parliament agrees that the Salmon and Freshwater Fisheries (Consolidation) (Scotland) Bill be passed.

The Presiding Officer: The sixth question is, that motion S1M-4108, in the name of Rhona Brankin, that the National Galleries of Scotland Bill be passed, be agreed to.

Motion agreed to.

That the Parliament agrees that the National Galleries of Scotland Bill be passed.

The Presiding Officer: The seventh question is, that motion S1M-3862, in the name of Karen Gillon, that the Commissioner for Children and Young People (Scotland) Bill be passed, be agreed to.

Motion agreed to.

That the Parliament agrees that the Commissioner for Children and Young People (Scotland) Bill be passed.

The Presiding Officer: The final question is, that motion S1M-4058, in the name of Peter Peacock, on nominations to the European Economic and Social Committee, be agreed to.

Motion agreed to.

That the Parliament notes with regret the resignation of Professor Robert Grant Baird from the United Kingdom delegation to the European Union's Economic and Social Committee and endorses the Scottish Executive proposal to nominate Mr Brendan Burns, Dr Grahame Wright and Mr Anthony Tucker to the delegation to the committee.

Island Transport

The Deputy Presiding Officer (Mr George Reid): The final item of business today is a members' business debate on motion S1M-4003, in the name of Tavish Scott, on island transport.

Motion debated,

That the Parliament recognises that reliable, regular and affordable air and sea transport links are vital to the social and economic well-being of the Scottish islands; welcomes the proposal from the Highlands and Islands Strategic Transport Partnership for improved air services in the Highlands and Islands backed by public service obligations; believes that the introduction of public service obligations provides an opportunity to ensure that the specified air services' timetables link in with those for ferry and bus services, and considers that the Scottish Executive should take this opportunity to provide the islands with a properly integrated transport service.

16:48

Tavish Scott (Shetland) (LD): I have a desperate desire not to be the most expensive MSP on our annual list. Thankfully, the *Daily Mail* is read by few people in Shetland—

The Deputy Minister for Environment and Rural Development (Allan Wilson): Or anywhere else.

Tavish Scott: Indeed. When that newspaper prints rough articles with me at the top of the list, I accept that as part of politics. However, the cost of flying to and from the islands of Scotland is painful for my constituents in Shetland and, indeed, for constituents in other islands. I lodged my motion for consideration by Parliament on that basis. There can be no doubt that, without regular, affordable and reliable air services, the islands of Scotland suffer. The current lifeline services do not meet the affordability test. Furthermore, they have shortcomings in terms of regularity and reliability.

The cost of travel to my constituency is high. An investigation of British Airways ticketing prices shows that fares range between £138 and £299, without taxes, for a return between Sumburgh and Aberdeen. That is a cost on business. For example, a seafood business that wanted to export or to make contacts at the Brussels seafood exposition every year would face exorbitant travel costs. Travel adds to the cost of doing business in the islands.

Mrs Margaret Ewing (Moray) (SNP): I agree with what the member says. Does he realise that one could have a fortnight on a Greek island in a self-catering apartment for the cost of travelling to Shetland?

Tavish Scott: I have had that holiday on a Greek island in self-catering accommodation—with my wife, I may add—for the cost of flying to

Shetland. As Margaret Ewing said, such high costs are faced by residents of the island and by business. However, they are also faced by the public sector, at public expense. NHS Shetland's bill for travel by patients and staff to the Scottish mainland is some £1.5 million every year. For all the islands together, the national health service bill is some £4 million. If councils, enterprise companies and the rest of the public sector are included, the take from the public purse rises to some £6 million.

Mrs Ewing's example of a holiday is relevant. However, I feel as strongly, if not more so, about the people who have to travel—at short notice—to a family funeral. That is particularly distressing. The cost, when added to the inevitable difficulties of those circumstances, is significant.

Tourism is also constrained by the cost of flying to and from the islands. At a time when I see economic change in my constituency—as across the Highlands and Islands—it is particularly important that tourism be grown and energised. That involves reducing the cost of flying and enabling people to travel more easily and more affordably to the islands.

Public service obligations, which have been part of the debate for some time, can and do address the issues of reliability, regularity and affordability. The case has been made, extremely well, in my view, by HITRANS, the Highlands and Islands strategic transport partnership—many members were at its recent presentation in Edinburgh. HITRANS found that the existing services are “marginally profitable”, but only at the expense of fares that are

“holding back the social and economic development of Scotland's peripheral regions.”

For me, that alone is reason enough for us to consider carefully the HITRANS proposals, specifically on the use of public service obligations.

HITRANS set out in its proposals a plan to use PSOs to specify increased services, providing better links right across the Highlands and Islands. It calculates that, to reduce the average fare by 33 per cent and to improve the service, the Scottish Executive would have to provide an annual subsidy of just under £10 million. However, I suggest to Parliament and to the Deputy Minister for Enterprise, Transport and Lifelong Learning that, if one deducts the cost of existing PSOs on west coast services and takes into account the savings on the public sector travel bill and the extra passenger revenue, the net extra cost to the public purse would be considerably less. I have long argued that, if fares come down and services improve, more people will use those services, which will increase the revenue and therefore the amount of money available within the services.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I entirely agree with the virtuous-circle argument that Tavish Scott has advanced. Does he accept that the granting of a PSO to secure the Inverness to London Gatwick connection would support and facilitate the creation of such a virtuous circle?

Tavish Scott: That is a different issue and concerns the use of PSOs to guarantee slots. Mr Ewing and other members have made that argument, which is a fair one. My belief has always been that we should have a link with Heathrow, but that is probably an argument for another day.

The other advantage of the HITRANS proposals is that they provide a fare structure that would be open and transparent. That is palpably not the case at present. We could therefore remove the anomaly whereby Loganair, to its eternal credit, offers half-price fares for children, whereas British Airways currently does not. In addition, the timetable could be specified to suit the needs of passengers. A day return to many of the islands could be created for people who have to travel at short notice, whether for a hospital appointment or for business. Through that mechanism, Government could provide the service that islands need. HITRANS has shown that, with a comparatively modest annual subsidy, a reduction in the burden on island life could be achieved. That logic has convinced me and my party—I certainly plan to fight the forthcoming election on the basis of those proposals, which are firm, solid and well worked out.

I have two final points, the first of which relates to shipping and livestock transport. I am sure that I have made this case to the minister until he is fed up to the back teeth of my making it, but I hope that, in winding up, he will say something about livestock shipping to the northern isles, particularly with reference to stock boats. I hope that he will talk about the proposals that I know the shipping companies have made to the Executive, as that could allay the concerns of crofters and farmers in the northern isles about the availability of those boats.

Secondly, the stock movement system for the northern isles could be brought forward without great delay on the basis of a specification that considers issues such as affordability, welfare standards and routes. Measures could be taken forward with local crofters and farmers in the northern isles.

I commend the motion on the basis that we should all support an integrated approach to transport.

16:56

Maureen Macmillan (Highlands and Islands)

(Lab): I am an MSP for the Highlands and Islands and therefore have probably travelled the islands from Unst to Islay and Skye to Stornoway more than most. Doing so has certainly brought home to me how crucial air and ferry services are to the economic and social life of the islands, albeit that, because I come from Argyll, I was always aware that they were crucial.

As a reporter on the tendering of the Caledonian MacBrayne ferry services, I was deeply involved in taking evidence on reaction to the proposals from the Clyde to Stornoway. It was clear that the contract for the service would have to allow for continuing growth and enhancement to the service and that it would have to be flexible and responsive to the needs of the islanders. I do not doubt that islanders have greater expectations about what their lives should be like and that they have greater aspirations about contact with the mainland and making the journeys that other people make. They do not want to make those journeys at vast expense or to take three or four days for a round trip.

We hear horror stories—recently, there was a story about schoolchildren being left behind on Oban pier and missing a whole weekend at home—but there are also good news stories. For example, the enhancement of the Mull to Kilchoan ferry was recently announced, which will include vehicle provision during the winter months as well as during the summer. That will make a great difference to both of those communities.

I thought that Tavish Scott would say plenty about the northern isles ferry service, so I did not plan to speak about it. There are problems with it, but I am aware that there are superb new ships on the route. I hope that ferry service problems in the northern isles will soon be resolved.

However, shipping services are not enough. We would all like air services to the islands to be expanded—in particular, an expansion of air services to the Argyll islands is needed. No matter how the ferry services are reconfigured, some islands remain disadvantaged. People must travel to meetings or to dental or hospital appointments and a three-day round trip is not acceptable in this day and age. I would like there to be an air hub in Argyll, based in Oban, a Highland hub based in Inverness and an airport in Skye. If—or when—the Skye bridge tolls are abolished, Skye's transport problems will not be solved. It is quicker to travel to the Western Isles than to travel to Skye, which is surely an anomaly.

I realise that the HITRANS proposals have many hurdles to surmount, which Tavish Scott talked about at length, but I hope that the new Executive

will consider seriously how the European Commission might be brought on board to grant public service obligations for a single bundle of air routes. That will not be as easy as Tavish Scott or HITRANS have made out—it was extremely difficult to secure the CalMac bundle, so it will not be easy to secure a bundle of air routes over the Highlands.

Some individual air routes are obviously profitable, such as the route to Stornoway. Operators, such as British Midland Airways Ltd, that happen to have a free plane are considering running passengers on those routes at a profit. It is not easy to say, "Right, let's bundle all the routes and put them to the European Commission and the EC will be sure to grant us a PSO." Things are not as simple as that. However, I would like us to try to make the case for that and thereby to make travel more affordable. I would like the Executive to consider seriously the proposal and to see whether it can be brought forward; it would certainly be of great benefit to the Highlands.

17:00

Mr Duncan Hamilton (Highlands and Islands)

(SNP): I congratulate Tavish Scott on securing the debate. I should also say that I agree with just about everything that he said, which is a strange, but nonetheless welcome, position for me to find myself in.

It was interesting that Tavish Scott started by telling us that he was somewhat disconcerted to find himself top of the list in the *Daily Mail*. I suspect that when some members consider the coming election they would give their left leg to be at the top of any list, although perhaps not the one that he mentioned.

PSOs have dominated the agendas of many Highlands and Islands MSPs—it is interesting to note that questions 8 and 9 at Executive question time tomorrow are about the issue. George Lyon has a question about the Campbeltown ferry service and I have a question about the Barra air route. The matter has been put on to the political agenda.

I will take the hint from the motion that is before us, which refers to the sea and the air, and I will make a couple of points about those routes and about PSOs in general. A very disappointing announcement was recently made about the Campbeltown service, to the effect that none of the bids had been progressed, which I am sure members throughout the chamber regret. The issue is of massive importance to the town, but for reasons of commercial confidentiality, we cannot get into the nuts and bolts of the tender and the offer.

Dr Winnie Ewing (Highlands and Islands) (SNP): In my past life in the European Parliament, there was tremendous agreement among the Irish MEPs from the north and south and from all parties and people like myself that a port in the Republic of Ireland should be added to the Campbeltown route, which would thereby attract cross-border funding. If that had been done, the route would have been much more secure: it would have been good for tourism, both in Ireland and in our country. There could have been a four-point route, but that did not happen—I suppose for the usual reason that there was a need to match funding.

Mr Hamilton: I am grateful for that intervention.

The point that comes out of that is that whether it involves working with the Republic of Ireland, Ayrshire or anywhere else we must be creative about what we do to secure the future of that ferry route, because in many ways it is the final hope for Campbeltown. George Lyon will remember well that it was the big issue in Campbeltown in 1998 ahead of the elections; we are talking about the same issue as we come to the elections in 2003, so I urge the Executive to focus on the issue.

It will come as no surprise to members that I will mention the Barra air route, which is about more than Barra. We had a debate not long ago about the future of PSOs and what was being shown by the debate about Barra. Members will note that the review period has been extended by two years, but it is only an extension of the review period. In the context of the motion, the question that is before us is: what is being reviewed? Is it the potential of PSOs? What is the point of the review? We have been told that it is about value for money, but if it is about value for money and there is to be a transport appraisal—I hope there will be; there has not been one in the past—Barra and other communities, whether Campbeltown, Tiree or elsewhere, are worried about the prospect of the principle of PSOs being diminished at the very time when the report to which Tavish Scott referred is arguing for the reverse. It argues for an expansion of PSOs, so the idea that that principle should be in any way under review leaves us with a great deal of doubt.

The report makes the obvious point, which is worth reiterating, that achieving the appropriate frequency of services and reduction in the cost of travel might in the shorter term require additional funding. However, the point is that the routes themselves—never mind the economic spin-off on either side of the routes—will be of benefit to the communities and the public purse. I welcome the HITRANS report.

This morning, we discussed the powers that the Parliament might in the future have over economic development. There are many things that

Parliament cannot do, but the expansion of PSOs is something that we could do. The impact that we could have on our remote, rural and island communities by securing those routes and by multiplying the number of routes to get nearer to or above the European average is a matter on which the Executive could take a lead. That would be a positive step that would not require additional powers; it would require merely the will to take the step. If today's debate has given us the opportunity to put forward that proposal on a united basis, I welcome the debate for that reason.

17:05

Mr Jamie McGrigor (Highlands and Islands) (Con): I congratulate Tavish Scott on securing the debate. I agree that the Scottish Executive should take the opportunity to provide the islands with a properly integrated transport system. I know that Tavish Scott's friend John Firth would also agree about that.

The debate is a bit late; to be frank, a cynic might be forgiven for saying that the timing of the debate makes Tavish Scott's motion nothing more than a blatant vote-buying dodge to mask the Labour and Liberal Executive's transport failures over the past four years, particularly with regard to the islands. I hate to say this, but Tavish Scott should apologise to his Shetland constituents and his ministerial colleague, Jim Wallace, should apologise to his Orkney constituents for the way in which the people of those islands have been disadvantaged by the Liberal-Labour Executive's flagship partnership, NorthLink Orkney and Shetland Ferries Ltd.

Tavish Scott: Will Jamie McGrigor say which new boats the Tories brought into service during their 18 years in power?

Mr McGrigor: Which new boats?

Tavish Scott: I mean boats for the northern isles.

Mr McGrigor: All I know is that P&O Scottish Ferries provided a better service than NorthLink Orkney and Shetland Ferries Ltd does. That company has hardly been a success for Orkney and Shetland: boats do not fit piers and run at the wrong times; there has been a huge increase in cancellations; and the company has ignored the islands' lifeline requirements.

There was also confusion over the cassette system for animal transport, which is yet to materialise, and Shetland has been forced to make alternative unsubsidised arrangements that are now being ground down by discriminatory state-subsidised competition. It is all too familiar an example of Liberal-Labour Scottish Government bungling. The building of piers, in

particular the new Scrabster pier, is way behind schedule.

Fergus Ewing: Will the member give way?

Mr McGrigor: No.

The new ship that should be servicing Orkney is tied up at the pier in Leith beside the offices of the Scottish Executive.

What does Tavish Scott mean by an "integrated transport service"? In the past, Shetland and Orkney had a fully integrated transport system; Tavish Scott and Jim Wallace's achievement over the past four years has been to replace an integrated system with a fully disintegrated transport system.

It is not only Shetland and Orkney that have suffered. I remember Sarah Boyack's declared intention of having an integrated transport system for Scotland. She went, and the system never materialised. Despite many promises, the much-promised Campbelltown to Ballycastle ferry is yet to materialise, which is a huge blow to the people who live on the Kintyre peninsula. The vehicle service that was provided by Caledonian MacBrayne from Gourock to Dunoon has also been removed, even though Dunoon was hailed as being one of the gateways to the new Loch Lomond national park. The transport facility has been taken away, so Dunoon is not much of a gateway, is it?

We have also had the Executive's attempt to remove the air service from the isle of Barra. I am glad to say that that was foiled by the hard work and persistence of the people of that island, who descended on Edinburgh. They appear to have succeeded in saving the air service that they have enjoyed for more than 70 years. As a member of the Rural Development Committee, I remember well the committee trip to the beautiful island of Colonsay. That trip made me realise the huge disadvantage that the people of that island face because of an inconvenient and infrequent ferry service.

The main problem that is faced by the northern isles and the Western Isles is their geography. Those islands depend on sea and air transport rather than on the arterial roads, motorways and railways that are enjoyed on the UK mainland. Surely the islands are entitled to some form of equality when it comes to support and investment for transport infrastructure. There should be more support for air and sea communications to those islands, not only to encourage business and to support health and education lifelines, but also to show that there are benefits that island inhabitants can enjoy which make up for the possible disadvantages of living off the beaten track. A return flight from Inverness to Shetland is £350, which is far too much by any standard.

Proper integration of transport involves, for example, the passenger taking an aeroplane, which is met by a bus, which takes them to a ferry, all without endless delays. That is what happened before nationalisation in 1948, so surely with a little intelligent forethought such a system can be made to work again under devolution. There is no doubt, however, that the Liberal-Labour Scottish Government has failed the islands and the nation when it comes to transport—they will not easily be forgiven.

17:09

Mr Jim Wallace (Orkney) (LD): Jamie McGrigor's speech was strong on rhetoric but light on facts. He should find out more about the subject on which he is speaking before he starts to make speeches like that.

There were never any new boats for Orkney and Shetland in the 18 years that the Tories were in Government—only under this Executive have we got new vessels. It is certainly not the Executive's fault that the Hamnavoe is tied up at Leith; neither is it the Executive's fault that Scrabster pier has not been completed. The minister visited Scrabster this week and I am sure that he will want to say more about that and about the money that the Executive is allocating to the temporary arrangement, so that the Hamnavoe might come into service.

Jamie McGrigor's speech was also light on any mention of a solution to what he was talking about. At least Maureen Macmillan and Duncan Hamilton followed Tavish Scott's initiative and talked about HITRANS and the possibilities of a public service obligation for air transport. On air travel, it is important to acknowledge that Kirkwall and Stornoway have had brand new air terminals opened under this Liberal Democrat-Labour Administration. Anyone who goes by Kirkwall airport will see the extensive work that is being undertaken in establishing the instrument landing system for the airport. I campaigned for that for a long time but did not get it from a Conservative Government. It is now being delivered by the Executive.

Transport is vital to the islands because so many aspects of the islands' economic and social life depend on good, integrated, reliable and affordable transport, from getting our exports out of the islands and bringing in raw materials, to tourism and attracting people to the islands. Transport is also important to families from the islands who want to go away and spend a holiday in Greece, as Margaret Ewing mentioned. Those families would probably spend more on a flight to the Scottish mainland than they would spend on a flight to go on holiday.

Transport to hospital services is also important. A number of patients from the islands have to fly to the mainland—mostly to Aberdeen, although sometimes to Inverness—and the cost of high air fares is borne by the health service. One of the difficulties that we have always faced is the fact that the airlines that are servicing those routes do not receive any public subsidy, so it has always been difficult to have any leverage over them about services. To be fair, some of the services have improved over the years and we should not decry the improvements that have been made; nevertheless, we should welcome the HITRANS proposal. That proposal was produced following detailed study of the demand for better services and of the effects that fares have on the social and economic life of the islands. The proposal has given us material that we can pursue. The exciting part of the proposal is not the prospect of lower fares, but the development of routes that will give people more choice over when to travel.

Earlier this month, I was approached by a constituent who was trying to book a break over Christmas and the new year—members will note that that is some nine months away. The first fare that he was quoted was about £300 for a return flight from Kirkwall airport to Edinburgh. When he tried to get a cheaper fare, he found that he could not get one on any of the days on which he wanted to travel. One of the difficulties is that although cheaper fares exist, they are not always available on the days when people want to travel, so people might have to incur the expense of an extra overnight stay. One of the advantages of pursuing the PSO idea would be that we could build into it not only provisions regarding the cost of flights, but regarding reliability, regularity and route development. I confirm what Tavish Scott said by repeating what I said at the Liberal Democrat party conference: the commitment to pursue HITRANS's idea and proposals will form part of the Liberal Democrat manifesto, which will be launched next month.

We should look constantly for ways in which we can improve on what has been done over the past four years to modernise our transport system. We all accept that more can be done and that more needs to be done. I congratulate Tavish Scott on securing the debate; it has allowed at least some of the parties that are present to put forward positive proposals—even if, as usual, we cannot depend on the Conservatives to say anything positive about the transport links to the islands.

17:14

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Along with other members, I attended the presentation at Edinburgh City Chambers that HITRANS gave on its imaginative

and ingenious proposals. The presentation was truncated from an hour to 30 minutes, perhaps to take into account the average attention span of MSPs.

The basic idea was that if we can increase the frequency of flights between islands in the Highlands and Islands and from there to Edinburgh, Glasgow and, indeed, London, there would be an increase in passenger numbers, which would be likely to bring down the price of tickets for flights. Moreover, flights would be available at times that were more convenient, as the motion points out. We could then have something that more closely approximated an integrated transport system and we could create the virtuous circle to which Tavish Scott referred.

My understanding is that the next step for HITRANS is to discuss the proposal with the carriers. It will be interesting to see what emerges from that, because I suspect that it might be difficult to persuade the carriers that the ingenious HITRANS model would be workable.

The implementation of the proposals would require the application of PSOs. I disagree with the notion that that would create an insuperable difficulty. If that were the case, how does France manage to have so many PSOs while Scotland has so few? It is relevant to argue that a prosperous and successful Highlands and Islands Airports Ltd would help to ensure cheaper and more frequent flights within the islands and from the islands to the mainland. If HIAL can increase its revenue and reduce its costs, that would enable the whole operation to work more efficiently and effectively.

I have two further points. First, I referred in a speech during an earlier debate to the private finance initiative. I will not repeat what I said, except to refer to two matters. The Enterprise and Lifelong Learning Committee made comments and recommendations on PFI in paragraphs 210 to 214 of its tourism report, but we are still waiting for a response from the Executive. However, Lewis Macdonald told me just this afternoon that the Executive has ruled out buying out the HIAL PFI. Will he say whether the Executive is considering buying out the offending PFI clauses, so to speak? The first of those clauses punishes success, because PFI repayments increase as passenger numbers increase. The second clause prevents HIAL from developing the retail opportunities in Inverness airport. Is the Executive contemplating, in the Labour manifesto or otherwise, buying out those clauses and replacing the rising annual payment with a flat-line payment that would give certainty and the possibility of better investment for the future?

My second point is that the Civil Aviation Authority has lumbered HIAL with a wholly

inappropriate regulatory regime. It is shocking that nothing has been done about that. I have two examples. Inverness airport was closed not so long ago because it had one airport traffic controller too few. One would think that bringing in an ATC from Aberdeen or Wick would solve the problem, but that is not the case. An ATC from those airports would have to do a three-month induction course even to be an assistant ATC at Inverness. Because it was short of one ATC, Inverness airport was closed for a day, which is ridiculous. One can understand the induction rule being applied at an airport like Heathrow, but not at one like Inverness. Why does Inverness airport have the same rules as one of the busiest airports in the world? I know that a review is taking place, but the current position is crazy. Why do we have to await the outcome of a Department for Transport review?

My second example concerns Stornoway airport, which now must have two fire appliances to deal with the arrival of a new jet. The new jet has 50 seats, whereas the previous jet had 66 seats. Given that there are fewer passengers, why are two fire appliances needed instead of one? If Alasdair Morrison were here, I am sure that he would be keen to make that point. It seems that two fire appliances are needed because, although the new jet has fewer seats, it is slightly longer. The requirement for two fire appliances costs a huge amount of money—hundreds of thousands of pounds extra a year. The SNP would be determined to ensure that such inappropriate and unduly burdensome rules were removed. We could use the extra money to develop the additional routes for which members rightly argue.

17:18

John Farquhar Munro (Ross, Skye and Inverness West) (LD): I thank Tavish Scott for bringing the debate to Parliament. This is one of the last debates that we will have before Parliament closes down tomorrow evening. I am sure that the problem will not be solved by this debate, but we are at least attempting to push matters in the right direction.

Rural Scotland has for many years suffered from limited transport links. Those that exist are at best expensive and at worst not affordable. Several attempts have been made over the years to address that situation, but they have had little success. We have been unable to establish an integrated transport system that has an appropriate timetable. That is an important issue. It is no use having a transport system unless people know what time a train or a ferry arrives or a bus leaves. Timetables must meet the needs and aspirations of the travelling public and all modes of transport—air, sea, rail and bus—should be geared to a common timetable.

Recently, we were visited by a delegation to promote the aims and objectives of HITRANS. The partnership has an ambitious programme and is attempting to establish more frequent inter-island and short-hop flights to many destinations on the mainland. I agree with its suggestion that that would attract more fare-paying passengers, provided that fares were sensibly priced and that flights followed an agreed timetable.

I appreciate that those proposals could take time to work through the system of various approvals, particularly licence approvals. For example, the local authorities of the Highlands and Islands, supported by all the public agencies in the Highlands, have attempted for eight years to secure a PSO on a direct route from a London hub airport into the Highlands. Despite their best efforts, that has still not been achieved. Securing such a link is critical to the continuing well-being of air transport into and from the Highlands.

Perishable freight to and from island communities is another continuing problem. Many small producers on the islands depend on getting their products to the mainland markets in the quickest time, to achieve the optimum price. That is difficult when only one or two flights operate a day at weird and wonderful times that do not suit the producer.

Reliable and affordable integrated transport is the key to the economic well-being of Scotland's island communities. Failing to deal with that will inevitably lead to a gradual down-turn in our rural economy, which will please nobody and which we do not want. Rather than having many competing air, ferry and bus links, travellers must have the maximum choice of routes and times. That would benefit island communities by reducing the costs for local businesses and, more important, by lowering produce costs. It would also make those communities and islands more accessible and affordable for tourists.

17:22

George Lyon (Argyll and Bute) (LD): I, too, congratulate Tavish Scott on securing the debate, which has been constructive, apart from one speech, which was inappropriate to a members' debate. Surely even Jamie McGrigor, who occasionally appears slightly tired and befuddled, does not fail to remember the track record of the Conservative Government. I will describe two matters that he should remember.

The Conservative Government tried twice to close down the subsidised Dunoon to Gourock service and to give it to a privatised monopoly. That Government also took the ridiculous decision to give the Campbeltown to Ballycastle service to Sea Containers rather than Caledonian

MacBrayne, for no better reason than the Tory ideology of the free market. That had nothing to do with the needs of the people of Campbeltown. When Jamie McGrigor starts handing out attacks, he should remember the track record of his party when it was in power.

A great hope for the Parliament when it was established was that it would address the concerns of Scotland's remote areas. That was the fundamental reason why many in the Highlands and Islands supported the Parliament's establishment. Affordable transport is the key issue that confronts most of the areas that many members in the chamber—including me—represent.

In the past three or four weeks, I have visited 10 island communities in my constituency. The first items on the agenda for discussion in those communities are the cost and frequency of ferries and the cost of air transport. My constituents could sit round a table and discuss timetables all night when it comes to the bit, because transport affects every part of their lives. The cost of transport to the islands affects the cost of every item in the shops. The ability to get off and on, the ability to attend hospital and the ability to have key public services delivered are all predicated on the cost of transport to the islands.

If our island communities are to be regenerated and if the alarming decline in the population of many of the islands—certainly those in my constituency—is to be halted, the Parliament must focus clearly on improving the accessibility of those communities, on which such regeneration hinges. That means lowering the fares and increasing the frequency of the services.

Those are the fundamental issues that confront many of my island constituents. That is why the proposals that HITRANS has made grab so many of us as an exciting way forward. The use of PSOs to lower fares, coupled with a dramatic increase in the frequency of services to a minimum of three per day, is the sort of step change that would have the full support not only of my constituents in the islands but of those in north Argyll. The HITRANS proposals would affect more than the islands. The upgrading of Oban airport to key destination status would bring huge benefits to mainland north Argyll. If we are to achieve the vision of growing Oban into a key regional centre that is able to attract new companies and civil service jobs to the area, the development of the airport is fundamental. Therefore, new investment must be made in the airport. I am delighted that Highlands and Islands Enterprise has put significant money into enabling the airport to operate with a proper air service.

The HITRANS proposals and costings are, of course, predicated on a significant increase in demand on the routes as a result of the reduction

in fares and the increase in frequency. Like Tavish Scott and others, I have no doubt that that demand exists. It should be possible to validate the assumptions that are contained in the consultants' report.

Our colleagues in southern Ireland are already using PSOs and increased frequency to open up air routes to the west coast of Ireland. Therefore, I hope that the next Executive will take the report seriously as a matter of priority and that it will engage as a matter of urgency with our counterparts in southern Ireland and learn the lessons from that country's experience.

17:27

The Deputy Minister for Enterprise, Transport and Lifelong Learning (Lewis Macdonald): I congratulate Tavish Scott on securing the debate and will reflect on the comments that have been made.

The Scottish Executive is fully committed to maintaining essential lifeline air and ferry services to Scotland's island communities. That commitment underpins the substantial and increasing financial contribution that we are making to that end.

Last year, the Parliament debated the initial HITRANS report, which gave an overview of PSO practice throughout Europe. The report represented the first phase of work on the issue and it was clear at that stage that a more comprehensive assessment was needed of the implications of an extended use of PSOs. The potential scenario envisaged in that report—

Fergus Ewing: Will the minister give way?

Lewis Macdonald: It is an early intervention, Mr Ewing.

Fergus Ewing: Why is it that countries such as France implement PSOs without such an endless series of reviews?

Lewis Macdonald: Far from being in the midst of an endless series of reviews, we are in the midst of a large-scale consultation on aviation strategy not only for Scotland and not only for now but for the entire United Kingdom and for the next 30 years. Mr Ewing will be familiar with that consultation. Given our position in the air transport networks of western Europe, it is clearly vital that we make a full contribution to that consultation. It is also vital that the case that we make for our aviation priorities be married with the case made for the priorities of the rest of the UK.

However, I am not arguing against change. There has been a long-standing commitment on the part of Scottish ministers and island authorities to support a number of services that are not

commercially tenable but which are vital for the economic and social well-being of the communities served. The imposition of PSOs on air services that were previously run on a commercial basis has not happened anywhere in Britain to date.

We have supported the case for such a PSO on the route from Inverness to Gatwick. As with other matters, that case has been subsumed by the wider consultation on air transport during which new services from Inverness have come on stream. We are happy that UK ministers take their time in considering a Gatwick PSO and that they should do so in the wider context of regional access to London-system airports and the future development of air transport throughout the UK as a whole.

Mrs Margaret Ewing: Obviously, I support the case for the PSO between Inverness and Gatwick. Is there any indication in the consultation and reviews that are being undertaken of any possibility of restoring the Heathrow link?

Lewis Macdonald: I would look to a wide range of opportunities for aviation links from Inverness and other places in the Highlands and Islands to places furth of Scotland. We should pay attention to the results of the review—although the consultation will not be completed until June—and to the market, and recognise that the market has produced additional services in the recent past. The potential to build on that is still significant. The proposed Inverness to Gatwick PSO is not intended to deliver subsidy, whereas the proposals from HITRANS envisage a cost to the public purse of several million pounds a year.

The timing of the latest HITRANS report, which fleshes out the original proposals, is useful. The current consultation process on air transport will lead, perhaps towards the end of this year, to the production of a UK white paper that will outline policy proposals. Once the consultation ends in June, we will engage in detailed dialogue with Department for Transport officials on what we want to appear in that white paper for Scotland's interests. I have no doubt that discussion of PSOs will take place in one form or another in that context.

The Scottish air transport consultation document, which was issued jointly by ourselves and by the DFT, addressed specific issues with regard to Highlands and Islands air services. That document has been only one aspect of the consultation process, however. We have held a series of events in the Highlands and Islands to address issues such as infrastructure and route development. That dialogue is continuing, and my officials are scheduled to meet representatives of HITRANS at the end of the month to discuss PSOs and the latest information. Many of the

people who attend that meeting will go on to the third international forum on air transport in remoter regions, which is to be held in Cork next week, and which will address some of the issues in a wider, European context.

Once we have received the supporting cost model for the HITRANS proposals, we expect to scrutinise the costs and we will take into consideration both the additional number of passengers that Tavish Scott has suggested might be generated and the extra infrastructure costs that might require to be met.

The potential for extended PSOs would have to be considered by any Executive in the context of the existing commitment to Highlands and Islands Airports Ltd and to Highlands and Islands air travellers, which currently stands at about £30 per passenger, and which represents support for the airport operator to reduce the cost to passengers. My party would certainly be disinclined to move away from that approach as the centrepiece of our support for air passengers.

Tavish Scott: I take the minister's point about the commitment equivalent to £30 per passenger, but does he accept that if the full fare from Shetland to Inverness, for example, is £350, we are not achieving an awful lot through that mechanism?

Lewis Macdonald: I would certainly not dispute the fact that there are issues around fare levels on a number of routes. Those issues require to be addressed and the market can assist us, as recently happened in the case of Stornoway routes. Clearly, however, more requires to be done.

Fergus Ewing mentioned the regulatory regime. That comes under the consultation, and so is reserved to the UK Government, but we will be discussing the matter with UK Government officials. Indeed, we are already doing so.

On the PFI at Inverness airport, a review is under way between HIAL and the owners of the PFI, and that has our full support. The review aims to explore whether there are ways in which that PFI can better deliver the aims that we share with the operators.

Lifeline ferry services are obviously an important part of the support that we provide to our island communities.

Mr Hamilton: Before the minister leaves the subject of air services, will he say something about the announcement that he made about the Barra air service? Will the extension of two years allow him to give Parliament a commitment today that the full requirements of the Scottish transport appraisal guidelines will be implemented before any decision is taken?

Lewis Macdonald: As I was pleased to say earlier, an additional contract will be let from April next year, which will allow a full review. It will be for ministers to make clear then the basis on which that review will be conducted. We will wish to consider the future of the Barra to Glasgow air service. There are some serious issues around that, with which Mr Hamilton is familiar, and those issues require to be addressed for the long-term future in consultation with the community and its elected representatives.

Given the shortage of time, I must move to some of the shipping issues that were raised in the debate. Over the past six years, we have doubled the level of subsidy to CalMac for west coast ferries. That significant investment has already enabled CalMac to introduce two new vessels, and a further two new vessels will come on stream shortly.

I announced earlier that we will upgrade the CalMac winter service between Tobermory and Kilchoan from the passenger service that was announced last year to a passenger and vehicle service. That service will operate to an enhanced timetable and will be introduced in October this year.

Likewise, in the northern isles we have tendered for the 2002-07 contract and have put in place a new operator that provides three new vessels at a cost of more than £100 million. That provides improved fares and journey times as well as a better timetable. We have made significant investments in the harbours that serve those routes. As Jim Wallace mentioned, I was in Scrabster earlier this week, where I visited the harbour. I confirmed our commitment to an interim solution to allow the Hamnavoe, which is one of those splendid new vessels, to dock in Scrabster from 21 April this year.

Livestock transportation arrangements for the northern isles were mentioned in the debate. I can confirm that we have, indeed, reached agreement in principle with NorthLink on plans for this autumn's peak livestock season, which will involve the use of chartered vessels. The precise details have still to be settled and will be announced shortly when that happens. However, I think that that will give some reassurance to the farming and crofting communities.

Mr McGrigor: Will the minister take an intervention?

Lewis Macdonald: I am afraid that time is against us.

Clearly, future long-term solutions will require further pursuit. However, this is a time of expansion for ferries and harbour infrastructures on the west and north coasts of Scotland. Members with an interest in those areas should welcome that.

I welcome the HITRANS report on air services as a useful and constructive contribution to the air transport consultation process and the debate on transport in the Highlands and Islands generally. I have no doubt that that will be debated in some detail over the next few weeks. In my view, and in that of my party, it is clear that further work must be done to ensure that the decisions that are taken about the future of policy in that area are soundly based. I look forward to continuing dialogue with the islanders and their elected representatives on those matters.

Meeting closed at 17:37.

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