

MEETING OF THE PARLIAMENT

Wednesday 31 March 2004
(*Afternoon*)

Session 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2004.

Applications for reproduction should be made in writing to the Licensing Division,
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by The
Stationery Office Ltd.

Her Majesty's Stationery Office is independent of and separate from the company now
trading as The Stationery Office Ltd, which is responsible for printing and publishing
Scottish Parliamentary Corporate Body publications.

CONTENTS

Wednesday 31 March 2004

Debates

	Col.
TIME FOR REFLECTION	7179
MOTION WITHOUT NOTICE	7181
<i>Motion moved—[Patricia Ferguson]—and agreed to.</i>	
POINT OF ORDER	7182
SCOTCH WHISKY INDUSTRY	
(TAX REGIME)	7183
<i>Motion moved—[Murdo Fraser].</i>	
<i>Amendment moved—[Lewis Macdonald].</i>	
<i>Amendment moved—[Jim Mather].</i>	
Murdo Fraser (Mid Scotland and Fife) (Con).....	7183
The Deputy Minister for Enterprise and Lifelong Learning (Lewis Macdonald)	7186
Jim Mather (Highlands and Islands) (SNP)	7188
George Lyon (Argyll and Bute) (LD)	7190
Mike Watson (Glasgow Cathcart) (Lab)	7192
Mr Stewart Maxwell (West of Scotland) (SNP).....	7193
Mary Scanlon (Highlands and Islands) (Con).....	7195
Jackie Baillie (Dumbarton) (Lab)	7197
Mr Brian Monteith (Mid Scotland and Fife) (Con).....	7199
John Farquhar Munro (Ross, Skye and Inverness West) (LD)	7200
Mrs Margaret Ewing (Moray) (SNP)	7201
Lewis Macdonald	7203
Mr Jamie McGrigor (Highlands and Islands) (Con)	7205
FRASER INQUIRY (BBC TAPES)	7209
<i>Motion moved—[David McLetchie].</i>	
<i>Amendment moved—[Fergus Ewing].</i>	
<i>Amendment moved—[Robert Brown].</i>	
David McLetchie (Edinburgh Pentlands) (Con)	7209
Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP).....	7213
Robert Brown (Glasgow) (LD)	7216
Mr Kenneth Macintosh (Eastwood) (Lab)	7218
Mr Ted Brocklebank (Mid Scotland and Fife) (Con).....	7220
Stewart Stevenson (Banff and Buchan) (SNP)	7222
Mr John Home Robertson (East Lothian) (Lab)	7223
Robin Harper (Lothians) (Green).....	7225
Carolyn Leckie (Central Scotland) (SSP)	7226
Margo MacDonald (Lothians) (Ind).....	7227
Miss Annabel Goldie (West of Scotland) (Con).....	7229
Iain Smith (North East Fife) (LD)	7230
Fergus Ewing.....	7232
Pauline McNeill (Glasgow Kelvin) (Lab)	7234
Bill Aitken (Glasgow) (Con)	7236
BUSINESS MOTION	7239
<i>Motion moved—[Patricia Ferguson]—and agreed to.</i>	
Richard Lochhead (North East Scotland) (SNP)	7240
The Minister for Parliamentary Business (Patricia Ferguson).....	7241
PARLIAMENTARY BUREAU MOTIONS	7244
<i>Motions moved—[Patricia Ferguson].</i>	
DECISION TIME	7245
STANDARD LIFE	7259
<i>Statement—[Mr Jim Wallace].</i>	
The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Mr Jim Wallace)	7259
LONDON OLYMPIC BID	7271
<i>Motion debated—[Alex Neil].</i>	

Alex Neil (Central Scotland) (SNP).....	7271
Mr Jamie McGrigor (Highlands and Islands) (Con)	7273
Margo MacDonald (Lothians) (Ind).....	7275
Allan Wilson (Cunninghame North) (Lab).....	7277
The Minister for Tourism, Culture and Sport (Mr Frank McAveety)	7278

Scottish Parliament

Wednesday 31 March 2004

(Afternoon)

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

Time for Reflection

The Deputy Presiding Officer (Trish Godman): The first item of business this afternoon is time for reflection. Our time for reflection leader today is Mrs Helen McLeod, elder of St Margaret's Church of Scotland in Forfar.

Mrs Helen McLeod (St Margaret's Church of Scotland, Forfar): Good afternoon. There is a story that Jesus tells about a mustard seed. It is one of the shortest stories in the Bible, but for me it is one of the most significant. This is how it goes:

"The Kingdom of God is like a mustard seed—mustard is smaller than any other seed, but when it has grown it is taller than other plants; it becomes a tree, big enough for the birds to come and roost in its branches."

In eastern countries, mustard is a plant that grows into quite a large tree, but the seed that produces it is absolutely tiny—the point being that great things can start from small beginnings, although that takes time and patience, and the one who plants the seed may not see the full height of the tree.

I have had the privilege in recent years of being closely involved in church politics, which has brought a blend of experiences with which I am sure you would identify. There is the exhilaration of having the opportunity to make a difference; the realisation that any idea or proposal, however good, needs an awful lot of practical outworking; the patience required for that outworking and the frustration at the length of time that it sometimes takes; the need for perseverance in the face of obstacles of all kinds; satisfaction, disappointment or uncertainty, depending on outcomes; and, of course, the wondering at the end of a project or term of office, or even as life progresses, whether we have in fact made a difference and whether anything useful has been achieved. Not only do we want to plant the seed, but we hanker after the harvest.

At such times, I have found much strength and encouragement in this prayer of Oscar Romero, whose words I offer you now:

It helps now and then to step back and take the long view.

The Kingdom is not only beyond our efforts, it is even beyond our vision.

We accomplish in our lifetime only a tiny fraction of the magnificent enterprise that is God's work. Nothing we do is complete, which is another way of saying that the Kingdom always lies beyond us.

This is what we are about. We plant the seeds that one day will grow. We water seeds already planted, knowing that they hold future promise. We lay foundations that will need further development. We provide yeast that produces effects far beyond our capabilities.

We cannot do everything, and there is a sense of liberation in realising that. This enables us to do something and to do it very well. It may be incomplete, but it is a beginning, a step along the way, an opportunity for the Lord's grace to enter and do the rest.

We may never see the end results, but that is the difference between the master builder and the worker. We are workers, not master builders, ministers, not messiahs. We are prophets of a future that is not our own.

Amen.

May God bless you in your work this afternoon and in the days ahead.

Motion without Notice

14:35

The Deputy Presiding Officer (Trish Godman): Members should be aware that I have accepted a ministerial statement on Standard Life, which will be taken immediately after decision time at 5 o'clock. I will accept a motion without notice under rule 2.2.4, to allow the meeting to continue until 6.30 so that members' business can be considered. I ask the Minister for Parliamentary Business so to move.

Motion moved,

That the Parliament agrees, in terms of Rule 2.2.4, that this meeting of the Parliament shall continue until 18.30 to consider Members' Business.—[Patricia Ferguson.]

Motion agreed to.

Point of Order

14:36

Margo MacDonald (Lothians) (Ind): On a point of order, Presiding Officer. I raise my point of order under rule 8.5.6 of standing orders, which concerns the notice of amendments and gives the Presiding Officer discretion to examine which amendments shall be called. Implicit in that is an assumption of fairness and even-handedness on the part of the Presiding Officer. I believe that that has not happened on this occasion, and that the Presiding Officer has discriminated in favour of the larger parties against an independent such as me and against the smaller parties that are not present in the chamber—no, I see that one of those parties is present—in selecting their amendments, rather than mine, for debate. In doing so, the Presiding Officer has also displayed incompetence, in that he has narrowed—[MEMBERS: "Oh."] He has narrowed the range of options that are open to the members of the Parliament in disposing of one of the most important questions of principle to come before us as a Parliament.

The Deputy Presiding Officer (Trish Godman): I have said on many occasions that I do not need to expand on the reasons for the exercise of my discretion in the selection of amendments. I am not required to give reasons for why I select or otherwise. The chamber will be aware that we intend to discuss the matter this afternoon.

Margo MacDonald: Further to that point of order, Presiding Officer. I give notice that I will consult colleagues and friends on the matter. Regrettably, I might find reason to move a vote of no confidence in the Presiding Officer.

Scotch Whisky Industry (Tax Regime)

The Deputy Presiding Officer (Trish Godman): The next item of business is a debate on motion S2M-1116, in the name of Murdo Fraser, on the effect of strip stamps on the whisky industry, and two amendments to the motion. I invite members who wish to speak in the debate to press their request-to-speak buttons.

14:37

Murdo Fraser (Mid Scotland and Fife) (Con): The Scotch whisky industry, one of the vital contributors to the strength of the Scottish economy, today faces one of its most serious threats in years in the form of the introduction of tax strip stamps, as proposed by Chancellor Gordon Brown in his budget on 17 March. It is essential that the Scottish Parliament sends a clear message to the chancellor today that we view the introduction of tax stamps as unacceptable and that we press the chancellor to overturn his decision, or at least to introduce appropriate mitigating measures to minimise the impact on that vital industry.

I had the pleasure of spending this morning in the company of the Edrington Group Ltd, which makes the Famous Grouse brand, at the Scotch Whisky Heritage Centre, just up the road beside the castle. The centre is an excellent facility. I know what members are thinking, but I assure them that I resisted the temptation to overindulge in the product on offer. I did not wish to come to the chamber and do an impersonation of the late Alan Clark, or perhaps of more recent political leaders. However, I hope to make up for that omission later this evening.

The Famous Grouse is one of many internationally recognised whisky brands. The Scotch whisky industry accounts for some 40,000 jobs in Scotland and it is worth some £2 billion annually in overseas trade. It contributes around £1.6 billion in tax revenue to the Exchequer. The industry is a major revenue earner for the United Kingdom Government and a major component of the Scottish economy.

We have had two debates in the chamber on strip stamps. The first of those debates, which was on a motion in the name of my colleague Annabel Goldie, was held just over two years ago on 7 March 2002. At that time, the arguments against strip stamps were well set out, and members from all parties expressed their concern about the impact that the proposal would have. A more recent members' business debate, in the name of my colleague Brian Monteith, was held on 5 February. Again, the arguments against strip stamps were well rehearsed.

Accordingly, I do not intend to spend much time this afternoon setting out the arguments against strip stamps. I am sure that other members will deal with those arguments in their speeches. We all know that the argument for strip stamps is based on unreliable fraud estimates from the Treasury, that they will place a heavy burden on legitimate traders and that there are serious doubts about their effectiveness.

I hope that the argument that strip stamps will damage the Scotch whisky industry will not be challenged from any part of the chamber this afternoon. Even the First Minister said at First Minister's questions on 18 March that the Scottish Executive was disappointed with the announcement. However, what concerns me more is what action the Executive will take to protect the vital Scotch whisky industry.

What has the Executive done to speak up for Scotch whisky? When strip stamps were proposed, did the First Minister travel to London to meet the chancellor and impress on him the need to withdraw this damaging proposal? No, he did not. Did he perhaps send the Deputy First Minister and Minister for Enterprise and Lifelong Learning to meet the chancellor and make representations? No, he did not. Did he perhaps ask the Deputy Minister for Enterprise and Lifelong Learning, Mr Macdonald, to speak to the chancellor? No, he did not. Instead, the totality of the First Minister's action in defence of this vital Scottish industry was to have Mr Macdonald write a letter to the Economic Secretary to the Treasury. I have no wish to denigrate Mr Macdonald's contribution; however, given that a vital industry was at stake, the Scottish Executive should surely have worked a little bit harder.

The Deputy Minister for Enterprise and Lifelong Learning (Lewis Macdonald): Does the member accept that our contacts with the United Kingdom Government on this matter have not been confined to the occasional piece of correspondence and that, in fact, I have also had conversations with the relevant Treasury minister on a number of occasions, even over the past few weeks?

Murdo Fraser: I am grateful for that clarification and, as I said, I have no wish to denigrate the minister's involvement in the matter. However, given the industry's importance to Scotland, I am sure that he will acknowledge that the First Minister or the Deputy First Minister should have been involved.

The Executive now has the opportunity to make up for its past failings. As a result, I am delighted to see the wording of the Executive's amendment, which is very close to the text of our motion. Indeed, because I am so pleased that the Executive has come over to our position and will

unite with us in the whisky industry's defence, I can say that we have no problems with accepting its amendment.

However, we will not accept the Scottish National Party's amendment. Instead of concentrating on the important matter of the threat to our whisky industry, the SNP would rather indulge in political posturing in favour of independence. That is not in the interests of the whisky industry, and I urge the SNP to withdraw its amendment to ensure that the Parliament speaks with one voice on the issue and sends a clear, unambiguous message to Gordon Brown.

Jim Mather (Highlands and Islands) (SNP): I think that political posturing will prove to be somewhat better than what the Conservatives did during their 18 years in office, which was to raise the duty on whisky on 10 of the 12 occasions that they addressed the issue.

Murdo Fraser: Mr Mather will know that, in 1996, the Conservative Government froze the duty on spirits, which was the first time that any UK Government had done so. We need no lessons from the SNP about our commitment to the whisky industry. That said, its members are to be congratulated; I see that they managed to spell the word "whisky" correctly in their amendment.

If, after the Executive has made the representations that we have called for, it is clear that the chancellor's mind is absolutely made up and he is unwilling to reverse his decision, the UK Government must put in place a properly funded and comprehensive package of measures that will minimise any damage to the industry. The industry has already made a number of proposals in that regard. For example, the Government has said that it will consider duty deferment arrangements to prevent increased cash flow costs. Details of those arrangements remain uncertain, but we need a properly worked-out plan. The Government has also said that it will examine the likely security costs, but again no details about that have been provided.

In relation to necessary capital investment, a £3 million assistance fund has been proposed, which will be specifically targeted at small firms. However, that is a drop in the ocean when compared with the industry's costs, which are calculated at £23 million in capital costs in the first year alone and an estimated additional £60 million to £70 million a year in running costs for each year thereafter. It has been suggested that European Union state aid rules will apply, which will limit the total amount payable to £3 million. Given the scale of likely costs to the industry, that is quite unacceptable. If the Government is prohibited from paying any additional sums, it must reverse the tax stamp decision or it will do irreparable damage to our vital industry.

As the Scotch whisky industry is vital to Scotland, we cannot afford to have it threatened in this manner. Today, the Scottish Conservatives have once again taken the lead on this issue and I am pleased that the Executive is falling into line behind us. I trust that, today, the Parliament will speak with one voice in support of Scotch whisky and send the Treasury a clear message that it is time to think again about the damaging imposition of tax stamps.

I have the pleasure to move,

That the Parliament welcomes the Scottish Executive's commitment to the Scotch Whisky industry as set out in *A Toast to the Future – working together for Scotch whisky*, particularly the Executive's commitment to a fair tax regime for the industry; notes with disappointment the announcement by Her Majesty's Government in the 2004 Budget of the introduction of tax stamps on whisky and other spirits; recognises that the compliance costs associated with the measure will introduce a heavy burden on the Scotch whisky industry, thereby adversely affecting both it and the wider Scottish economy; believes that the £3 million compensation package announced by HM Treasury is wholly inadequate, given the estimated cost to the industry of some £60 to £70 million per annum, and accordingly calls on Her Majesty's Government to reverse the decision to impose tax stamps and, failing this, to ensure that a properly-funded and comprehensive package of measures is put in place to minimise the damage caused to the industry.

14:44

The Deputy Minister for Enterprise and Lifelong Learning (Lewis Macdonald): This debate should start from our shared recognition of the importance of Scotch whisky, and indeed of the whole spirits industry, to the Scottish economy. As Murdo Fraser said, we have debated the subject twice in the Scottish Parliament. Both times, we made clear the commitment of ministers to work with the industry to support its efforts to grow new markets and to sustain jobs, revenues and business in many parts of Scotland.

The debate should also start from the position that the revenues that are raised from the industry are important to us all. Whatever the Government's policy priorities are, they cannot be delivered without the revenue being raised to pay for them. In both of the previous debates on the issue, there was wide consensus about the need to tackle fraud in duty on spirits. That need is explicit in the Executive amendment today, because to fail to acknowledge the reasons for the Treasury's decision is simply not a credible position for any of us to take. I am glad that Murdo Fraser accepts our amendment and recognises that our balanced approach is the appropriate way forward. Like him, I hope that the amended motion will attract the support of all parties.

Since the issue was first raised, I have ensured that Treasury ministers are in no doubt about the

views that are held here and about the predicted impact on the producers of spirits. Of course, the matter is entirely reserved and it is for UK ministers to make the decisions, but they are fully aware of the views of Scottish ministers and the debates on the issue in the Scottish Parliament. From the chancellor's comments in the budget two years ago, we know that he was reluctant to adopt tax stamps in view of the recognised compliance costs.

The Scotch Whisky Association and the Gin and Vodka Association have put considerable energy into discussions with the UK Government about various courses of action that they see as likely to be effective in tackling fraud, and some of those measures can be put in place quickly. As Jack McConnell said at the time—his words were mentioned a moment ago—it is therefore disappointing that the chancellor announced in this year's budget that the Treasury has failed to agree with the industry a suitable alternative to tax stamps and that he therefore intends to introduce tax stamps in two years' time.

The industry and the UK Government recognise the importance of each other's concerns and they have tried to close the distance between them.

Mrs Margaret Ewing (Moray) (SNP): Has the minister examined the voting record of the Labour members of Parliament at Westminster who spoke against the concept but voted for it when it came to the crunch?

Lewis Macdonald: I share Murdo Fraser's disappointment in the way in which the SNP has chosen to approach this debate. That intervention reinforces my concern that the SNP has not taken the opportunity to support the views that have been expressed around the chamber in the past. Instead, it seeks to make party political points.

The thorny issue of the level of fraud, which lies behind this debate, has been examined by the National Audit Office with the support of both the Treasury and the industry. The NAO takes the view that there is much to be said for the approaches that have been taken by both sides. There is, therefore, every reason for the industry to maintain close engagement with the Treasury and with HM Customs and Excise on the question. There is also a high level of agreement on compliance costs—again, that is thanks to work that has been done by both the UK Government and the industry. That level of agreement provides a sensible baseline for discussions about what might be done to reduce compliance costs if tax stamps go ahead.

Our view is that the door is not closed on the issue. The chancellor has announced his decision, but a lot of work around implementation remains to be done. It is important to understand that if tax

stamps are to be introduced, they will not be fully introduced until 2006, when the necessary secondary legislation has been put in place. I can report that Treasury ministers intend to consult fully with the industry in advance of publication on both the enabling legislation that they intend to bring forward this year and the statutory instruments that will follow. In the meantime, a number of the measures that are proposed by the industry as effective alternatives to tax stamps will begin to take effect, and I have no doubt that the UK authorities will monitor carefully the effectiveness of those measures in combating fraud.

For our part, Scottish ministers will continue to work closely with both the industry and the UK Government to try to arrive at a satisfactory outcome. In our view, the best outcome would achieve the desired aim of effectively tackling tax fraud without the need for tax stamps. If that does not prove to be possible, it will be vital to seek agreement between the industry and the UK Government on a comprehensive package of mitigating measures and a method of implementation that will cause the minimum of additional costs to the industry. We in the Scottish Executive are ready to help to facilitate those discussions and take them forward.

I move amendment S2M-1116.2, to leave out from “, thereby adversely” to end and insert:

“; and therefore calls on HM Treasury to engage in further discussion with the industry on the impact of these measures with a view to reaching a satisfactory outcome which deals with tax fraud and would lead to the decision being reversed, failing which to ensure that a comprehensive package of compensation measures is put in place to minimise the impact on the industry.”

14:49

Jim Mather (Highlands and Islands) (SNP): I welcome the debate and I will echo many of the points that have been made so far.

I have worked in the whisky industry and I know only too well the direct and extensive economic benefits that flow from distilling, warehousing, blending, bottling and marketing whisky. I also know that the industry has a wider impact, as an ambassador that broadcasts Scotland's name, Scottish values and Scottish value for money across the globe.

I welcome most of the supportive words in defence of the tangible and intangible benefits that that crucial industry produces for Scotland. However, much of that defence simply highlights the current powerlessness of this Parliament and the poor and inconsistent Tory and Labour records in protecting and bolstering the whisky industry. Jack McConnell was disappointed by the chancellor's decision and, no doubt, he was

subsequently disappointed by the votes of many Scottish Labour MPs. I am pleased to see that that disappointment is reflected in the Executive amendment.

I am sure that many Scottish Tories were disappointed with their various chancellors between 1979 and 1997, during which period duty on whisky was increased 10 times. It is no wonder, therefore, that a majority of members of the Scottish Parliament want the Parliament to have more power. They are supported by a consistent majority of voters and now by a Liberal Democrat conference majority. Such powers would enable us to grow our industrial successes, rather than see them used as expendable golden geese. Although that financial independence approach looks increasingly compelling to more and more people and is a model that every economy takes for granted, in Scotland we face a situation in which our chancellor has decided—basing his decision on information that is, at best, of dubious accuracy and which is challenged by the spirits industry, by overseas experience and by the National Audit Office—to adopt a strip stamp strategy that has frequently failed elsewhere.

In the United States of America, strip stamps have been abandoned. Peter Cressy, the president of the Distilled Spirits Council of the United States, has said that strip stamps would impose significant additional costs on the industry and would be ineffective against fraud because they can “easily be forged”.

Phil Gallie (South of Scotland) (Con): The member made a comment about tax rises in the past. Does he recognise that pressures were applied to Government by the health service, in particular in relation to taxes on whisky? Does he compare that pressure with the pressures from the smoking and anti-smoking lobbies, in the context of which his policy is to stand firm against the tobacco industry?

Jim Mather: I will stick with my speech and with the fact that we will opt for an even-handed approach that does not distort and diminish the whisky industry's competitive position.

It seems even more ironic to members of the Scottish National Party that although the chancellor is adopting a failed strategy, he constantly condemns us for having the temerity to advocate financial independence and other measures that succeed outrageously elsewhere. He unleashes a new measure that is, at best, flawed, to meet a need that has not been verified and he expects the industry to fund a high proportion of its tax collection costs. Without a tax deferment scheme and capital support, the measure will undermine the industry's financial strength and divert resources that would otherwise be spent on further investment, on acquisitions, on

research and on brand development. Even if some of those costs are underwritten, there is likely to be a huge adverse impact from the additional production complexity that will ensue, in particular from the requirement to co-ordinate stamps of different value to cover whisky of different strengths in bottles of different sizes. We can already see that that will have a devastating effect on productivity, with an estimated production loss of between 8 and 10 per cent—in a country that desperately needs to increase, rather than damage, its productivity.

In addition to extra set-up time and reduced productivity, the measure will lead to complexity as a result of the need for special UK warehousing space. The security issue will lead to a cascade of costs; there will be a need for extra personnel, alterations to premises and insurance. However, the costs will not stop there; there will also be the administrative costs of managing the process and the paperwork and of coping with the storage and distribution of stamps. I talked to one company that estimated that the potential costs of the measure would be more than £500,000 per annum.

Members should contrast that scenario with one in which a Scottish whisky industry trades from an independent Scottish stage, with a Government that is focused on maximising the direct and indirect benefits that the industry can accrue for our country and that is determined to maximise the return from the brand called Scotland.

I move amendment S2M-1116.1, to leave out from “welcomes” to end and insert:

“agrees with the Scotch Whisky Association that the Chancellor of the Exchequer's decision in the 2004 UK Budget to impose tax stamps on whisky and other spirits will damage the industry's competitiveness at home and abroad but do little to tackle spirits fraud; deplores the damage that successive Westminster governments have done to this vital Scottish industry, and therefore agrees that, to reverse the tax stamp decision and ensure that the competitive position of Scotch whisky is not further eroded, the Scottish Parliament should be responsible for the setting of all national taxation within Scotland.”

14:54

George Lyon (Argyll and Bute) (LD): The Scotch whisky industry supports 41,000 jobs in Scotland. In my constituency, the industry is vital to the prosperity of the islands of Islay and Jura, where it is the largest employer. Whisky production in distilleries on those islands underpins the local economy. The industry is also very important in Campbeltown, Oban and Mull. Whisky plays a huge role in the prosperity of my constituency.

Others have already touched on the key points of the debate. The first and the main point has to

be this—the Treasury claims that 200,000 bottles a day are sold illegally, losing the Treasury some £600 million a year; but the industry estimates spirits fraud at between £100 million and £150 million, and says that the problem is falling rather than rising; while the National Audit Office says that the figure could be as low as £300 million or could go up to £1 billion. The NAO calls into question the models that are being used to calculate the size of the problem. When I asked Cathy Jamieson, the Minister for Justice, how many prosecutions had occurred in Scotland for whisky fraud, the answer was only a handful a year. There is, therefore, an argument about the size of the problem.

In order to judge clearly whether tax stamps are the appropriate way of tackling the problem, further work must be done to get to the bottom of the scale of the problem. If that is not done, the United Kingdom Government will stand accused of using a sledgehammer to crack a nut.

A second point—on which Jim Mather touched—relates to the efficacy of tax stamps. America and Greece have abolished their tax stamp schemes, saying that they did not work. Indeed, the US Treasury has said that stamps have only a negligible value in evidencing compliance with the law and the payment of excise taxes. Even in Poland, which has persisted with tax stamps, there has been no noticeable reduction in the black market for spirits. The conclusion from the evidence must be that a question mark remains over whether tax stamps will achieve a worthwhile reduction in fraud. It is on the two points that I have raised that we must prosecute the argument with the UK Government.

I am extremely pleased that the Executive is equally concerned about the impact that tax stamps could have on one of our biggest export earners. The Executive is taking an extremely robust position, as outlined in the amendment that was moved by the minister. The minister is right to demand that the Treasury engage in further discussions with the industry on the right way of tackling this very serious issue. The industry has suggested alternatives and the Executive is right to insist that the Treasury reconsider and engage with the industry with a view to reversing its decision. The issue is important for the whisky industry, but it is also important for Scotland and the Scottish economy.

I welcome Murdo Fraser's announcement that he is willing to accept the Executive's amendment. I think that Jim Mather should think long and hard before pressing his amendment. He could withdraw it, so that we could have an all-party view on this important issue. That might carry some serious weight down the road. I hope that Jim Mather will consider withdrawing his amendment

and will support the Executive's amendment to the motion, as the Conservatives have said they will do.

The Executive is right to take a robust position in defence of the Scotch whisky industry. The Treasury's proposals are, I believe, unjustified; judging by the evidence from other countries, they will also be ineffectual. The Treasury appears to be taking a sledgehammer to crack a nut. I therefore have no hesitation in pledging the Liberal Democrats' support for the position that has been taken by ministers in defending the interests of the Scotch whisky industry.

14:59

Mike Watson (Glasgow Cathcart) (Lab): We have already heard about the importance of the Scotch whisky industry to the Scottish economy. George Lyon referred to the 41,000 jobs that the industry provides and we should remember that it is worth £2 billion a year and affects not only the Scottish economy but the UK economy.

It is to be regretted that the issue of strip stamps has been raised again, because it appeared to have been killed off some two years ago. The chancellor had instigated a consultation and the Scotch whisky industry responded by outlining the serious effects that the introduction of strip stamps would have. The industry highlighted the capital costs of installing the stamp application machinery and the annual running costs; the extra security costs in handling the stamps; the requirement to purchase the stamps up front, which can be considerable, especially for the smaller operators in the industry; the reduction in efficiency of bottling lines; and the evidence from other countries, which, as has been mentioned, shows that stamps are at best limited in their effectiveness in reducing fraud. Therefore, it came as no surprise when the chancellor announced in the 2002 budget that the idea had been rejected because of

"the severe impact on productivity and compliance costs".

It seemed that the message from the industry had been received and understood but, in the pre-budget report at the end of last year, the chancellor exhumed the proposal and invited the industry to demonstrate better means of tackling fraud. In response, the industry produced a package of measures that would generate more of a revenue gain for the Treasury than would strip stamps. It is worth bearing it in mind that HM Customs and Excise has suggested that strip stamps would reduce fraud by no more than 25 per cent. That is not to say that any reduction is not welcome, but the industry claims that its proposals would produce up to double that saving. Nevertheless, it appears that those proposals

have been cast aside. The industry's measures would also produce revenue gains earlier than the Treasury's proposals would—in 2005 rather than in 2006—and would have more enduring effectiveness, given the limited effectiveness of strip stamps in other countries.

The industry submitted detailed proposals to the Treasury. I will not go into them now, but they ranged from suggestions for the targeting of high-risk owners, sales and movements and the placing of HM Customs and Excise assurance officers in the highest-risk warehouses to ideas for a revised system of guarantees and a strengthened HM Customs and Excise licensing system. All those measures placed considerable weight on the industry playing its part in tackling fraud, but to no avail.

The chancellor's announcement two weeks ago was even more surprising, because it came just a week after the publication of a National Audit Office report that highlighted the unreliability of HM Customs and Excise's figures on fraud. I think that George Lyon mentioned a figure of 200,000 bottles a week. The industry says that that figure just does not stand up to scrutiny. It is important that the industry's views on the matter are given considerable weight.

Two weeks ago, the First Minister announced to the Parliament his disappointment at the decision and, as members will know, the Scotch whisky industry added the word "bitterly" in its reaction. That demonstrates the damage that the industry fears it could suffer if strip stamps are introduced. Jobs could be at risk, as could the market share of whisky, which is already under considerable threat from other spirits, as well as from wines and beers.

Two weeks ago, the chancellor announced in the budget a freeze on the duty paid on whisky. That is welcome. I hope that he will now acknowledge the opposition to the introduction of strip stamps from within the industry—including management and trade unions—and, as we are hearing today, from across the political parties. I hope that he will use the time that is available to him to open up discussions with a view to finding an alternative way forward that both protects the competitiveness of the industry and deals with the urgent issue of fraud. I suggest that strip stamps are not the best way of doing that.

15:03

Mr Stewart Maxwell (West of Scotland) (SNP): I congratulate Mike Watson on that speech, which was an excellent contribution to the debate. It is just a shame that his Westminster colleague Tom Harris did not feel the same way—he voted in favour of tax stamps. That is part of the problem.

Whisky is not just a rural or a Highlands issue. The industry is one of Scotland's biggest; as members have said, it contributes more than £2 billion to the United Kingdom Treasury. It is not just Speyside or islands such as Islay and Jura, which George Lyon mentioned, that will be affected by the new tax on the whisky industry; areas such as Dumbarton, Dalmuir, Renfrewshire and Lanarkshire will be hit, too. In Scotland's central belt, in areas such as Glasgow, Lanarkshire and Dunbartonshire, men and women work in the offices, the bottling plants and the bonded warehouses that are sustained by the whisky industry.

The introduction of tax stamps—a measure that has already proved to be completely ineffective in tackling fraud—will cost the industry tens of millions of pounds every year. I know that Labour members will not like it when I ask what the brave band of Labour MPs in London has been doing to defend one of Scotland's most vital industries. We have had some nice words—Labour MPs have told us how awful the proposal is—and there has been some hand wringing, but apart from that the MPs have done nothing. That might not be quite right; it would have been better if they had done nothing. Instead of doing nothing, they have ensured that tax stamps will be imposed on the industry. In the House of Commons, they did not vote against tax stamps or abstain; they voted in favour of them. Labour MPs such as Brian Donohoe and John McFall, secretary and chairman, respectively, of the all-party Scotch whisky industry group, say one thing in their constituencies and then do the opposite when they are down in London.

Jackie Baillie (Dumbarton) (Lab): Does the member accept that John McFall has worked particularly hard on the issue? Does he further accept that it was John McFall who got the Economic Secretary to the Treasury up to Dumbarton to have a discussion with Allied Distillers and the Scotch Whisky Association on the very points that MSPs from all parties have consistently made?

Mr Maxwell: I commend John McFall for doing anything to help the whisky industry. Why then did he not vote against the tax stamps? If he was such an opponent of tax stamps, why did he go through the aye lobby and vote in favour of the measure? That is the central point of my argument.

Mike Watson: Will the member give way?

Mr Maxwell: No, I have just taken an intervention.

Mike Watson: The member does not understand the voting system at Westminster.

Mr Maxwell: I know how the Labour MPs voted; they voted in favour of the measure.

John McFall is the Labour MP for Dumbarton, which is an area that depends on the whisky industry for a lot of good, high-quality jobs. I have a copy of an article from last week's *Dumbarton & Vale of Leven Reporter*, in which John McFall tells us about his campaign, which Jackie Baillie just mentioned, against the imposition of tax stamps on whisky. He is reported as saying that, in his speech in the budget debate, he expressed his "disappointment" about the decision to introduce the tax stamps. What John McFall does not mention in the article is that he voted in favour of the introduction of the tax stamps. With that vote, he voted in favour of putting increased costs on the whisky industry and of putting the jobs of his constituents at risk.

However, John McFall, Brian Donohoe and even Gordon Brown did not impose the tax stamps by themselves. They had the help of every Scottish Labour MP, not one of whom voted against the measure. A Government majority of 104 could have been wiped out if every Scottish Labour MP had voted with the SNP MPs. The Scottish Labour MPs should have voted to defend the whisky industry; they should not have voted to attack it.

Mike Watson: That is not true.

Mr Maxwell: It is a fact.

There are 3,500 jobs across Scotland in bottling plants and bonded warehouses, some of which are in the highest unemployment black spots in Scotland. We need those jobs; it is important that they are retained. What will happen if the industry says that it will have to cut costs and jobs because of the measure? What will the Scottish Labour MPs do then? Will they say, "Well, we are sorry about that, but we voted for it"? I doubt very much that that is what will happen.

Although I have sympathy with the Tory motion, the SNP amendment hits the nail on the head. The truth is that the Scottish Parliament would not, if it controlled the whole of the country's national taxation, have voted in favour of tax stamps. We would have united to ensure that tax stamps were not introduced. We would have defended what is a vital industry and we would not have attacked it.

15:07

Mary Scanlon (Highlands and Islands) (Con): I am delighted to support the motion in the name of my colleague Murdo Fraser. Like him, I welcome the Executive's constructive amendment, unusual though that is. I hope that the First Minister and the Minister for Enterprise and Lifelong Learning will engage with the chancellor as promised.

I deplore the petty, carping comments that we have heard from the SNP this afternoon. It is

absolutely disgusting that the SNP has chosen to talk about nationalism and not about the national drink. It is also absolutely disgusting that the SNP is represented in the chamber by only three members in a debate on one of our major industries.

Stewart Maxwell mentioned the "brave band of Labour MPs".

I do not think that his party has ever understood devolution. The business of the SNP MSPs is not to hold Labour MPs to account, but to hold Labour MSPs to account. The SNP needs to learn that lesson. I say to SNP members that that is why they are in the Scottish Parliament and not at Westminster.

Mr Maxwell: Will the member give way?

Mary Scanlon: No, I have heard enough from Mr Maxwell this afternoon and everything that I heard was totally negative and carping. I do not wish to hear any more. I am very disappointed about the approach that he took. I think that, if Winnie Ewing had been in the chamber, she would have had something to say to him about that.

It is highly appropriate that the Scottish Parliament should make representations on behalf of the Scotch whisky industry. Recently, Diageo tried to interfere with Cardhu by blending single malts and calling the result a pure malt. I am grateful that the First Minister responded positively to that situation. Although I am not sure what sort of talks took place, I am thankful that Diageo came to appreciate the unique nature of the single malt and reversed its decision. I hope that, following today's debate, the Scottish Parliament will put pressure on Westminster to reverse its decision on tax stamps.

Mrs Ewing: The decision on Cardhu was worked out internally by the Scotch Whisky Association, in conjunction with Diageo. We are all pleased at the outcome, but the matter was not the responsibility of the First Minister or the Executive.

Mary Scanlon: Whatever talks took place behind the scenes, the Scotch Whisky Association was certainly very vocal on the issue.

I am sure that all members would wish to do whatever it takes to combat fraud. If Conservative members were convinced that the introduction of strip stamps would succeed in that respect, the measure would have the backing of every one of us. However, as Murdo Fraser and Mike Watson said, no evidence exists to support Gordon Brown's figures. When a Government decides to impose higher taxes and costs on industry, normally the industry can choose to move to another country where the Government is more understanding, sensitive and supportive. That is

not the case for whisky, however. Scotland is the monopoly producer of the national drink—there is no substitute for Scotch. As Mike Watson said, the National Audit Office, the Public Accounts Committee and the Scottish Affairs Committee at Westminster have all cast doubts on the chancellor's figures. I hope that that will be a basis for the Executive's future discussions.

Perhaps the chancellor should reconsider the severe cuts in the number of customs and excise officers and put resources into HM Customs and Excise to combat fraud. I was told earlier this week that, about six years ago, there were 12 customs and excise officers in Shetland, whereas now there are two. Such figures are replicated throughout Highlands and Islands communities. We should also reconsider the reduction in the number of trading standards officers at local level. I am pleased to say that Shetland now produces vodka and gin and that a local firm is planning to open a distillery there. We should take into account the impact of measures such as strip stamps not only on the existing whisky industry, but on the future of the industry.

I ask Margaret Ewing, who represents the constituency with the highest number of distilleries in Scotland, to bring pressure to bear on her colleague and persuade him to drop his amendment.

15:12

Jackie Baillie (Dumbarton) (Lab): Members have touched on the importance of the Scotch whisky industry to the economy and on the effectiveness of strip stamps, so I do not intend to rehearse those points. I have to say, however, that I find Stewart Maxwell's accusations entirely disingenuous. To suggest that Scottish Labour MPs could vote down a United Kingdom budget, and have a majority to do so, shows that he cannot count and that he is much more interested in empty posturing than in doing something about this matter. I echo the call for the SNP to raise its game and to withdraw its amendment, so that the Parliament can present a united view.

I visited Allied Distillers with John Healey, the Economic Secretary to the Treasury, and my colleague John McFall. We saw at first hand the consequence of using strip stamps: the wastage, the slower production lines and the security measures required. We thought that a convincing case had been made to the minister. Leaving that to one side, however, we should acknowledge that fraud is a problem, although we can, of course, debate the scale of the problem. The National Audit Office suggests that the cost of fraud can fall in the broad range of £10 million to £260 million according to one set of figures or of £330 million to more than £1 billion according to another set of

figures—a huge margin of error. That lack of clarity is worrying, because it means that we are not clear about whether the action that we are taking in introducing strip stamps is proportionate to the size of the problem. If the matter can be reconsidered, I would encourage the Treasury to do so.

Assuming that stamps are to be introduced, however, we need to ensure that we minimise the cost and impact on the industry. Other members have outlined the cost of compliance. As I understand it, the Government has made four key commitments. First, it will seek to implement the scheme without requiring up-front payments, so that the industry can continue to benefit from duty suspension and deferment. That is likely to account for about 40 per cent of the cost of compliance, so it is absolutely essential that that measure be in place. Secondly, members have covered the £3 million available to assist with capital investment, but we need to recognise that that impact is not just on small firms; it is on larger firms as well. Thirdly, the Treasury has said that it will bear the full cost of production and distribution of the stamps, which is estimated at £5 million to £10 million. That is helpful. Lastly, the Treasury has indicated that it will examine the likely security costs and the scope for reducing those.

All that is welcome, but I will go slightly further and ask the Government for two more commitments, both of which I have raised with the deputy minister. First, I want flexibility in the legislation. I will explain what I mean. When the legislation is drafted, it would be useful to deal in principles rather than in specifics. For example, instead of saying that a 20mm-wide strip stamp should be applied, why not talk about fiscal marks, which are slightly different? I am encouraged that the Treasury, rather than referring to strip stamps, talks about tax stamps, which are potentially different and potentially much better. Flexibility and the involvement of the industry in determining the most appropriate measures are essential.

Murdo Fraser: Does Jackie Baillie agree that the Treasury must also consider the security of strip stamps, an aspect that she has not touched on? The stamps are valuable items; an A4 envelope can, I believe, contain £50,000-worth.

Jackie Baillie: Absolutely. I will make that my third request, but my second point is that I would like the Government to review the measures after two years, because, by that time, it will be able to revise estimates of the scale of fraud much more accurately and there will be a reasonable amount of operating experience. Good government is all about reviewing what we do to ensure that it is effective and provides value. Not only should that be done as a matter of course, but a specific commitment to review the measures would be

welcome. Ultimately, I want the Scotch whisky industry to thrive. Let us help it to do so.

15:16

Mr Brian Monteith (Mid Scotland and Fife)

(Con): I am pleased to participate in the debate, as I have previously expressed an interest in, and had a members' business debate on, the subject. At that debate on 5 February, I pointed out that there was no need to see the matter as a battle between the Scottish Parliament and the Westminster Parliament, between the Conservatives or members of other parties and the Labour Government or between individual politicians and Gordon Brown. Although the chancellor has declared that he intends to proceed with the introduction of strip stamps, it is still not too late for the Scottish Parliament to unite in calling for the Executive to take further measures that will bring about a change in heart, so we should seek to reach and build on a constructive agreement today.

To be frank, the Conservatives' record in government on duties on whisky and other spirits could have been better—I do not think that I am saying anything that would surprise members. Similarly, the chancellor could do better. I do not say that in a partisan manner, but simply because the cause of the fraud that is associated with whisky, gin, vodka and other spirits is that the duties are too high. If one considers many other international examples, one finds that a cut in duty not only reduces the level of fraud but can lead to an increase in tax receipts. Surely that is a win-win situation, which is just what we should be seeking: the receipts would be available to be used for our public services and fraud would be reduced. I therefore suggest that, rather than introduce strip stamps, we consider the option of a cut in duty.

It would be bad if distilleries and bottling plants were to invest in the capital equipment and subsequently were to find that the decision had been reversed. In such a situation, I would certainly recommend that those distilleries and bottling plants be given some form of compensation. It is entirely possible that, at the 11th hour, the introduction of strip stamps will not go ahead.

I wrote to the First Minister following his concession during First Minister's question time two weeks ago that representations had been made. I call on the minister responsible for those representations to ensure that there is a response to my letter and that the representations are made openly available to the Parliament and are placed in the Scottish Parliament information centre so that they can form part of our overall campaign for a change of mind.

Members have covered many areas, but one final issue needs to be raised. What we are debating does not concern whisky alone. Sure, whisky is our national drink and it is a significant part of the distilling industry, but we should not forget the large amounts of gin and vodka that are distilled and bottled in Scotland. I understand that about 70 per cent of the gin that is produced in the UK is bottled in Scotland. That industry, too, will be affected. We need to recognise the diversity of product and the skills of our distillers, which have been attracting business from the rest of the UK and internationally. The proposals could result in the penalisation of what is a growing industry—indeed, one of our best industries. With that in mind, I call on members to get behind a joint approach.

15:21

John Farquhar Munro (Ross, Skye and Inverness West) (LD):

The whisky industry supports around 40,000 jobs in Scotland and I hope that, if the Chancellor of the Exchequer does not destroy it, it will remain one of Scotland's most successful industries. It is clear to most people—but obviously not to the chancellor—that the main cause of the fraud that he is trying to stop is the unduly high burden of taxation on whisky. Do members really think that there would be any need for strip stamps to stop whisky fraud if whisky was not so expensive? Spirit tax stands at a massive 66 per cent of cost. Imagine it: two thirds of the price is the tax. If someone goes into Deacon Brodie's or another establishment with their mates, buys three drams and drinks one, the other two will go directly to the Treasury. That is quite absurd.

I find it particularly galling that it is possible to buy a bottle on the continent for less than the price that it would be sold for at the distiller's own shop. That is quite amazing. As other members have mentioned, evidence from other countries points to the fact that the introduction of tax stamps does not work. America and Greece abandoned their tax stamp schemes some years ago. We need to discuss with the industry the cost of the introduction of strip stamps. The Government has estimated that the cost will be £3 million, whereas the industry, which is acquainted with what it is doing, estimates that the cost will be £60 million. I do not know who did the arithmetic, but that is quite a difference.

Liberal Democrat MPs at Westminster have called for the tax stamp regime to be abandoned. If there cannot be a reversal, the Government must engage with the industry to develop a comprehensive package of measures to minimise the impact, a point that has been made by several members. There is no agreement between the

Government, the industry and the National Audit Office on the level of fraud and on the cost of implementing tax stamps, including the capital cost and costs relating to stock flexibility, the control line and security.

Lewis Macdonald: Does John Farquhar Munro accept that there is broad agreement between the Treasury and the whisky industry about the potential compliance costs, specifically on the up-front capital costs of about £23 million to £25 million and on annual running costs in the region of £50 million or £60 million?

John Farquhar Munro: I thank the minister for that intervention. The arrangements must be in coded language, because they have not been easily understood by people in the industry.

Tax stamps will impose a massive burden on the entire spirits trade, with a disproportionate impact on smaller producers, whose existence will be threatened. As I have said, tax stamps have not worked in other countries. Experience abroad suggests that tax stamps have little impact on fraud. Several countries, including the United States, Greece and Ecuador, have abolished their tax stamp regimes and others, such as Germany, Belgium and Norway, pulled back from introducing schemes in the first place. Hungary has tax stamps, but estimates suggest that illicit goods account for between 15 and 20 per cent of the market there, which is similar to Government estimates of fraud in the UK, so the stamps do not appear to have worked in Hungary. The situation is even worse in Poland, which has tax stamps but where about 80 per cent of Scotch whisky is believed to be contraband. Other overseas experience suggests that, if tax stamps were introduced, high-quality forgeries would appear in the UK within months and would become common. Indeed, with duty at £5.48 a bottle, there would clearly be a strong incentive for people to produce forgeries, so as a result of the proposals the only growth industry would be counterfeiting.

I suggest that the HM Customs and Excise figures on the scale of tax fraud are highly questionable. If the Government is determined to introduce strip stamps, it must monitor their impact and be prepared to remove the measure if the stamps are found to be ineffective or are damaging the industry, so that we can continue to have a vibrant and profitable whisky industry for decades to come. Slàinte mhath.

15:26

Mrs Margaret Ewing (Moray) (SNP): I will not take lectures from anyone about working for the Scotch whisky industry. Mike Watson, Lord James Douglas-Hamilton and John Home Robertson, the members with whom I served for a long time at

Westminster, will verify that I argued strongly for the Scotch whisky industry and made clear the SNP's views on every occasion when the subject was debated in the House of Commons. The SNP has always been fully supportive of the whisky industry and has argued the case for a reduction in excise duty and for whisky to have a level playing field with other alcoholic beverages. It is important that members of this Parliament understand our commitment to the industry.

There is a consensus in the chamber. Some members are saying that, because the SNP amendment refers to national taxation, we have destroyed the consensus, but no one disagrees about the impact that strip stamps will have on the industry and we are all agreed about the importance of the industry, the number of jobs that it creates and the amount of money that it brings into the economy. The behaviour of some members has lowered the tone of an otherwise sensible debate. It is unusual for me to have a dispute with Mary Scanlon, but she reflects an attitude that is prevalent in the Parliament and on the Labour and Conservative benches in particular, which is that we should just stay in the devolution kennel and hope that a bone will be thrown to us from on high at Westminster. We have to rise to the challenge of having a national Parliament. For goodness' sake, even the Liberals seemed to wake up at the weekend and now support the concept of fiscal autonomy, as do the Scottish Socialist Party, the Greens and the independents who are sitting at the back of the chamber. The reason why the whisky industry is in such a mess is that we do not have fiscal autonomy.

Mary Scanlon: Margaret Ewing is making precisely the point that I made. Stewart Maxwell should concentrate on our national Parliament holding the Executive to account so that we can speak with a single voice in sending Westminster a strong message on the issue. Will the SNP support our motion and agree to withdraw its amendment?

Mrs Ewing: Obviously, I believe in Jim Mather's amendment and we will be supporting the other amendment.

Members have said that we have a consensus, but the fact that the Deputy Minister for Enterprise and Lifelong Learning has been scurrying up and down and sending e-mails to John Healey or somebody or other in HM Treasury has not worked. I remind members that in December last year Gordon Brown said:

"I don't want to have to introduce stamping if I can avoid it, but if we have to do so, we will do it, so we can eliminate fraud that is unfair to other tax payers and unfair to people who have to pay the duty. If we can find a better solution that eliminates much of this fraud, then we will take it."

The Scotch whisky industry has produced a package with 17 alternatives that are said to be attractive and worthy of consideration, but the chancellor has not taken them on board. To show our commitment to the whisky industry and other industries in Scotland, we should argue strongly the case for Scotland's Parliament to have the right to raise its own taxation. If the Parliament had that right, we would not be facing this scandal.

15:30

Lewis Macdonald: We have heard in the debate widespread agreement on the whisky industry's importance and on the potential impact of compliance costs on the industry. The challenge is to focus our efforts on achieving the most satisfactory outcome following the chancellor's budget statement. I am disappointed that Margaret Ewing did not take the opportunity to seek withdrawal of the amendment in Jim Mather's name.

Mike Watson referred to the chancellor's budget statement of 2002. We should recognise, as Margaret Ewing did, that the chancellor's view that he wished to avoid tax stamps if he could was where the debate began, far from the bizarre version of policy making at Westminster that the SNP presented. I have outlined the efforts that the Treasury and the industry have made, with our support, to agree on several critical points, such as the scale of the problem. They have discussed recognising the reality of what is very serious fraud—contrary to one or two comments—and its consequences for Government revenues.

Efforts have also been made to agree on the scale of the potential compliance costs if tax stamps are eventually introduced. As I said when I intervened on John Farquhar Munro, much agreement exists between the industry and the Treasury on what those compliance costs might be.

Phil Gallie: Jackie Baillie said that tax stamps might be withdrawn later. Does the minister agree that it is important to prevent tax stamps from being implemented, because of the high capital charges that will be incurred?

Lewis Macdonald: We have made it clear that we seek a satisfactory outcome that allows the chancellor to decide not to proceed with tax stamps and which tackles spirits duty fraud effectively. That is our preferred outcome. However, we must acknowledge that the Treasury and the industry have failed to agree on an adequate package of alternative measures that would deliver the solution to fraud in the industry.

Despite that failure, there is no reason to give up and walk away. There is every reason for the industry to continue to engage with the

Government. The chancellor has decided in principle to press ahead with tax stamps but, as Jackie Baillie said, the chancellor's announcement about such fiscal marks may have flexibility. There is every evidence of flexibility in how the decision may be implemented.

The industry's continuing willingness to engage with the Government was made clear to me earlier this month when I met the Scotch Whisky Association and had a detailed discussion not only about tax stamps, but about other domestic and international concerns. The industry recognises that important issues must still be addressed. Treasury ministers are alert to the concern about the impact of tax stamps on smaller distillers, which is one issue that the industry will pursue. If tax stamps were introduced, a large element of compliance costs—towards 40 per cent—would relate to cash flow. If the chancellor proceeded, the industry would want to talk about what could be done to deal with that. The Treasury has made commitments that point in the direction of addressing that aspect.

Mr Monteith: The minister shows that he understands our distillers' concerns. Is he willing to publish in the Scottish Parliament information centre the material that he has used in representations to the Treasury?

Lewis Macdonald: That does not take us forward on how we address the issue, which is to pursue further discussions and engage the industry. That is where I want to keep my focus.

It is clear that we want to find a solution that will allow the UK Government to reverse its decision because it has negotiated with the industry an effective means of addressing the fundamental problem of tax fraud without the need for tax stamps. If that is not possible, it is essential that the dialogue continues on the technical details of the implementing regulations and on the package of measures that would be needed to mitigate the very real concerns that have been raised today.

Yesterday, I spoke to the Economic Secretary to the Treasury, John Healey, as part of an on-going dialogue. I understood clearly from him that the Treasury's intention is, indeed, to monitor measures that are developed by the industry over the next two years and, if tax stamps come in, to monitor their impact.

Murdo Fraser: Will the minister be prepared to publish the communications between him and the Economic Secretary to the Treasury so that members who are interested in the subject can see the representations that the Executive has made in response to today's motion?

Lewis Macdonald: I am seeking to describe the representations that we have made and that we will continue to make to ensure that Treasury

ministers are aware of our views on the matter. Members will understand that decisions on such matters lie with the Treasury and not with us. The representations that we are making should be seen in that context.

Mrs Ewing: Will the minister advise members whether aspects of the capital investment that will be required by the industry and on-going annual costs are included in the representations?

Lewis Macdonald: As I mentioned a few moments ago, I understand that the industry and the Treasury agree on the scale of the upfront capital costs as being around £23 million to £25 million. As the member knows, there is already a provision in the budget statement for capital assistance to the value of £3 million. Clearly, there is a significant difference between those figures, and it is precisely in respect of that that we will continue to talk with the industry and the Government.

We and the Treasury recognise that the implications of tax stamps for the smaller companies that operate in the industry are significantly different from the implications for the larger producers, and I have no doubt that that will be one aspect of the discussions. I assure members that the Executive will continue to work with the industry and the UK Government in efforts to reach a satisfactory conclusion. I have already moved an amendment to the motion and I hope that the amended motion will attract the support of all parties.

The Deputy Presiding Officer (Murray Tosh): I call Jamie McGrigor to wind up the debate.

Mike Watson: On a point of order, Presiding Officer. I do not wish to delay the debate. My point of order relates to Fergus Ewing's amendment, the final three lines of which seem to refer to an issue that is quite extraneous to the issue of the BBC and the tapes, which are the subject of the debate. Therefore, my question is—

Members: That is the next debate.

Mike Watson: I apologise. I shall raise the matter in writing.

The Deputy Presiding Officer: Yes. In that case, I will make my ruling later on.

15:38

Mr Jamie McGrigor (Highlands and Islands) (Con): It is extraordinary that the Labour Government should impose an extra burden—indeed, a stealth tax—on a Scottish industry that already pays 60 per cent of the value of its product in tax. On the SNP's amendment, the only Government that has dropped the tax in recent years was the Tory Government, whose

chancellor, Ken Clarke, twice slashed the duty on whisky. The duty has remained frozen for six years, which is probably why Chancellor Gordon Brown thinks he can get away with such a strip stamp ploy. There was certainly not much opposition from his colleagues down south, although the ploy is foolish and unnecessary.

In Scotland, whisky is one of our icons. Other industries may come and go, but Scotch whisky goes from strength to strength and provides the Treasury with one of its most valuable sources of revenue. It is bonded geographically with Scotland, which in some ways makes it more exposed if the competitive environment in the UK becomes untenable. It is down to UK politicians such as Gordon Brown to provide the environment in which Scotch whisky can flourish. By threatening the use of strip stamps, he is threatening the Scotch whisky industry, which was originally unfairly treated in 1909, when a teetotal Prime Minister, Lloyd George, increased the tax by 35 per cent in one go to pursue his personal crusade for a drink-free Britain.

Members: Shame.

Mr McGrigor: That is hardly typical of a Liberal leader nowadays.

The Scottish Parliament should help the Scotch whisky industry by producing whisky more at Scottish Parliament receptions. Uisge-beatha—the water of life—is our national drink and we should be proud of it. When taken in moderation, it is a medicine. The last debate on whisky, on 7 March 2002, centred on the Scottish Executive's document, "A Toast to the Future", in which the Executive pledged to support the industry. I am glad that the Executive's amendment seems to support our motion—frankly, it would be shocking if it did not.

George Lyon: Will Jamie McGrigor define moderation for us?

Mr McGrigor: Moderation is below 80cc for someone who is driving. I think the member knows what I mean.

David McLetchie (Edinburgh Pentlands) (Con): Less than Charles Kennedy has.

Members: Ooh.

The Deputy Presiding Officer: Order.

Mr McGrigor: Spirits are already taxed one and a half times more heavily than other drinks, and the application of strip stamps would compound that disadvantage. Strip stamps do not work. They have been abolished by the USA for that reason. They are easy to forge and expensive to apply. Why is Gordon Brown—himself a Scot—so determined to push ahead with this foolish exercise, despite the National Audit Office's

warning that his fraud figures are flawed and do not add up?

Lewis Macdonald: Does Jamie McGrigor accept that the National Audit Office said that the figures on fraud that the industry and HM Customs and Excise produced were reasonable in their approach; that the scale of fraud might, therefore, range up as far as £1 billion; that the NAO said not, as he suggests, that the fraud was entirely overestimated, but that there was a lot of room for doubt; and that there is, therefore, room for discussion with the industry?

Mr McGrigor: Yes. I take the minister's point on that.

If the Government's figures were correct, it would mean that 200,000 bottles were being sold illegally every day and that almost every bottle of spirits that was sold outwith the supermarkets was fraudulent. The figures on beer and wine from the same source showed that more duty was being collected than was possible according to the amount of drink that was being consumed. Therefore, the figures are quite possibly utter nonsense, or at least unreliable. In the face of that, why is Mr Brown attacking an industry that supports not only distillery jobs, but the production of bottles and labels, an enormous amount of transport and a big slice of agriculture? Most gin and vodka is bottled in Scotland as well, so there is even more of an employment risk. Whisky contributes significantly to the tourism industry, and whisky tourism is growing every year, especially in the Highlands and Islands where most of the distilleries are located.

The move is not even Euro-friendly. In western Europe, only Spain, Portugal and Italy use strip stamps, and their consumption is tiny in comparison with the UK market. There will be huge compliance costs to industry and supply chains if the UK adopts strip stamps, not only from the purchase of the machines that are required, but due to much slower production. The productivity of a bottling plant that produces 600 bottles a minute would drop to 450 bottles a minute if strip stamps were introduced. Additionally, every stamp is worth £5.40, making them a huge security risk. It is estimated that their introduction would cost the industry in Scotland £24 million in capital costs, with further running costs of £60 million a year. Someone would have to carry those costs, and the price of whisky to consumers would probably rise by a minimum of 40p a bottle. A £3 million fund would mean a payment of perhaps £30,000 to individual companies, although the machines cost £250,000. The security risk also means that insurance costs would soar.

Strip stamps damage competitiveness and productivity. They should not be introduced. I hope

that our First Minister persuades Gordon Brown to change his mind. The chancellor has promised to do his best to freeze duty and to minimise the cost to the whisky industry. I hope that the First Minister will hold Gordon Brown to that promise. He can do that and help the industry by doubling the duty deferment period. Currently, it is 45 days after bottling, but it is within the First Minister's remit to make it 90 days, which would be of huge advantage to the industry. He should also examine security funding and come up with a deal that shows his support for the Scotch whisky industry.

I am glad that we have the support of the Scottish Labour party and the Liberal Democrats. I ask the SNP to withdraw its amendment so that the Parliament sends a stronger message to Gordon Brown. We should all be saying slàinte mhath together on this one.

Fraser Inquiry (BBC Tapes)

The Deputy Presiding Officer (Murray Tosh):

The next item of business is a debate on motion S2M-1117, in the name of David McLetchie, on the failure of the BBC to hand over tapes to the Fraser inquiry, together with two amendments to the motion.

Mike Watson (Glasgow Cathcart) (Lab):

Further to the point of order that I tried to raise five minutes ago, Presiding Officer, I believe that there is a question over the final three and a half lines of the amendment in the name of Fergus Ewing. They do not seem to be to do with the subject of the debate. They might have some tenuous link to the Fraser inquiry, but they have no link to the thrust of the debate. Is it in order for the amendment to be accepted for debate?

The Deputy Presiding Officer: The glib answer would be that the amendment has been selected and so, by definition, it is in order. However, allow me to expand on that a little bit. I am grateful to the member for having given notice of his point of order.

Members: Twice.

The Deputy Presiding Officer: I refer the member to the business bulletin. His point seems to arise from the type that is in bold, which is the summary of the subject of the debate as prepared by the chamber desk. If the member reads the motion—and it is to a motion that amendments must be attached—he will find that it is relatively broad. It would be fair to say that everything that the SNP amendment encompasses touches on the Holyrood project procurement policy and the Holyrood inquiry. That might be disputable, but the amendment is perfectly competent.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Agreed.

The Deputy Presiding Officer: I am not entirely grateful for your agreement, Mr Ewing.

15:47

David McLetchie (Edinburgh Pentlands) (Con): The motion that we are debating is designed to achieve an objective that we all share: the release by the BBC of the tapes or transcripts of the interviews with our late First Minister, Donald Dewar, and the Holyrood architect, Enric Miralles, that were conducted for the documentary, “The Gathering Place”. If we are all agreed on that objective, the debate should be about the means that we should use to achieve that end. Let us not forget that the reason for debating the motion at all is the continuing refusal of the BBC over a period of six months to provide the Fraser inquiry with unconditional access to the Dewar and Miralles interviews.

It is not as if the BBC is standing on a clear principle. Its producer guidelines say:

“Occasionally the BBC will allow a viewing or a taking away without any legal order because of a clear public interest which poses no danger to the BBC, its staff, or its future ability to operate freely.”

So what is the BBC’s problem? Apparently, the BBC wants to give Lord Fraser an edited version of the interviews in order to protect third parties. Quite rightly, the Fraser inquiry has rejected that, because it is not for the BBC to act as a censor of information given to the Fraser inquiry. What is relevant is for the inquiry to judge, not the BBC.

Mr Kenneth Macintosh (Eastwood) (Lab): Will the member take an intervention?

David McLetchie: I will come to the intervention in a moment. The interests of third parties who might be named in the interviews would be fully protected, because they would have an opportunity to give further evidence if necessary.

Our position is straightforward. The motion is competent; were it not, it would not have been accepted for debate. If it is passed, the BBC will be required to comply, and the content of the interviews will be brought within the public domain for consideration by the Parliament. Voting for the motion will achieve the desired result.

I had hoped that other parties would be able to support the motion and achieve a measure of consensus. I should have known better. In grubbing around for excuses to avoid doing what is right, the amendments of both Robert Brown and Fergus Ewing adopt the spurious line that the motion is an attack on the freedom of the press or the independence of the BBC.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Does David McLetchie have any knowledge of whether Lord Fraser has written to the Presiding Officer requesting the assistance of the Parliament concerning the BBC tapes? Has he or has he not written?

David McLetchie: I am not aware of such correspondence, but I know that at the inquiry not three weeks ago Lord Fraser made that very suggestion to Mr Ewing. I also know that Lord Fraser’s spokesman welcomed the motion that we have lodged for debate today.

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

David McLetchie: I would like to move on to the freedom of the press.

Dennis Canavan: I am trying to be helpful.

David McLetchie: I know, but I cannot take an intervention.

The argument about freedom of the press is nonsense. Freedom of the press is an essential bulwark of civil liberties but, unlike societies with totalitarian regimes, ours is a democratic society based on the rule of law, in which Government's power is limited. That means that all of us—including the Government—operate within the framework of the law and that laws apply equally to us all. The legal imperative in our motion, which requires the BBC to hand over the tapes, is based firmly on the powers granted to the Parliament by section 23 of the Scotland Act 1998. Those are powers that belong to the Parliament, not to the Executive. They are clearly limited, because they can be used only to aid the investigation and scrutiny of matters of public interest within the responsibility of the Executive.

No one would dispute that discovering the truth about Holyrood is a matter of profound public interest and importance. Our motion does not grant wide discretionary powers and is not arbitrary, oppressive or capricious. It seeks simply to use the powers at our disposal for a highly specific purpose—to deal with what John McCormick, controller of BBC Scotland, said on television last night are the unique circumstances in which we find ourselves following the sad and premature deaths of Donald Dewar and Enric Miralles. The motion does not undermine the independence of the BBC, but simply requires the early release of information that the corporation intends to broadcast anyway.

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

David McLetchie: I will not.

I find it ironic that the Executive amendment is in the name of a Liberal Democrat. Liberal Democrats have been the strongest champions of freedom of information laws, but apparently they want to exempt the BBC from any requirement, however modest, to provide information to a public inquiry that is clearly in the public interest.

Robert Brown (Glasgow) (LD): On a point of order, Presiding Officer. Mr McLetchie indicated that there was an Executive amendment before the chamber. That is not the case. There is an amendment in my name, as an individual parliamentarian. I take great offence to the suggestion that the amendment is not in my name.

The Deputy Presiding Officer: That correction could have been made later. It was not necessary to interrupt the speech. Continue, Mr McLetchie.

David McLetchie: May I have more time for that, Presiding Officer?

The Deputy Presiding Officer: No.

David McLetchie: This is absolutely ridiculous.

The SNP amendment introduces other arguments. SNP members would like us all to write nice letters to the BBC requesting politely that the tapes be handed over. Everyone has been doing that for the past six months. Fergus Ewing should wake up and smell the roses—the BBC has said no and the auntie is not for turning.

We are now told that we must reconstitute the inquiry under the Tribunals of Inquiry (Evidence) Act 1921, so that it can compel evidence to be given. That takes us back to square one—it is a sledgehammer to crack a nut. What is the point of doing that when we can achieve the same result today? For a party that is always lecturing us about the powers of the Parliament, the SNP seems remarkably reluctant to use one that we already have by supporting the motion.

That brings me to the First Minister's position. I do not accept the criticism of the First Minister that is implicit in the SNP amendment. The First Minister and the Scottish Executive deserve credit for the level of co-operation that they have given to the Fraser inquiry. However, on this matter the First Minister is failing to give the support that Lord Fraser has requested and that the First Minister has repeatedly promised. Lord Fraser has made his views on the matter absolutely clear. He believes that the tapes are vital to the inquiry and is looking to the Parliament to help him in that respect. Furthermore, the inquiry has welcomed our motion. If the motion is not agreed to, Mr McConnell and any other member who votes against it must answer the following question: how will we ensure that the interviews are put into the public domain?

The motion is about the authority of the Parliament and the First Minister. That is why today's vote is important. We are in the unusual business of proving Jack McConnell right. He said repeatedly that the Fraser inquiry had enough powers but that, if necessary, the Parliament could use its powers to back up the inquiry. Today the Parliament has an opportunity to do just that. We might be a new Parliament and a young Parliament, but it is time to be a grown-up Parliament.

I agree with the First Minister that we should go down the section 23 route only for exceptional reasons and in exceptional circumstances. However, there are exceptional reasons and we are in exceptional circumstances—of that there is no doubt.

The public demands answers and the public interest must be paramount. We face the acid test of the Parliament and we must pass it. If we do not, we will have failed not only ourselves, but the Fraser inquiry and, most important of all, the Scottish people.

I move,

That the Parliament agrees that the Holyrood Project has a significant contribution to make to the built environment in Scotland and should provide important lessons for future public procurement policy; notes that the report of the Holyrood Inquiry being conducted by The Rt Hon The Lord Fraser of Carmyllie QC, when presented to the Parliament, will be submitted to an appropriate Parliamentary committee for additional scrutiny and may thereafter be the subject of a full debate or debates in the Parliament; believes that consideration of the Holyrood Inquiry report and the public policy issues arising therefrom which are the general responsibility of the Scottish Executive would be enhanced if members had available to them recordings or transcripts of interviews given by the late Donald Dewar and Snr Enric Miralles to the production company, Wark Clements, in the making of the programme entitled "The Gathering Place", which documents are in the custody or under the control of the British Broadcasting Corporation having its principal place of business in Scotland at Broadcasting House, Queen Margaret Drive, Glasgow G12 8DG, and accordingly requires the British Broadcasting Corporation in terms of section 23 of the Scotland Act 1998 to deliver such documents to the Clerk of the Parliament in accordance with instructions to be given by him in terms of section 24 of said Act.

The Deputy Presiding Officer: I call Fergus Ewing to speak to and move amendment S2M-1117.2.

Phil Gallie (South of Scotland) (Con): On a point of order, Presiding Officer. Is it in order, in a debate of such immense importance, that no representative of the Executive is present on the front bench?

The Deputy Presiding Officer: If Mr Gallie is able to refer to any relevant section of standing orders, I will consider that to be a point of order. At the moment, it is clearly a debating point.

I call Fergus Ewing.

Margo MacDonald (Lothians) (Ind): On a point of order, Presiding Officer. I regret to have to say this, but there might well be a reason for ministers to be present, which is that Scottish ministers have a general responsibility for the Fraser inquiry.

The Deputy Presiding Officer: That does not make it a point of order. We are now burning up time that members had hoped to use to make speeches. I suggest that it would be sensible for us to get on with the debate.

At the third time of asking, I call Mr Ewing.

15:57

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): We all agree that no single issue in the short life of this new institution has done more damage to it than that of the Holyrood project. If that is true, I hope that the various political parties also agree that the inquiry is crucial to moving on. I say that whether or not we want to rehabilitate devolution or, as the SNP

does, move forward to proper self-government and independence. If that is true, it is essential that the inquiry be seen to produce a report that is sound. Anything that undermines its credibility or that justifiably erodes confidence in its process must be attacked and opposed by Parliament.

No one has been more vigorous or persistent in asking that the BBC co-operate by handing over its tapes than my party and I. We have pursued the matter doggedly. I have presented 50 pages of evidence to the Fraser inquiry and more documents than anyone here would probably care to read.

On 29 October 2003 I raised a point of order to ask whether the procedure that the Tories propose could be effective. The Presiding Officer wrote to me—it was not a formal ruling—and stated that sections 23 and 24 of the Scotland Act 1998 were not intended to allow the provision of documents to a third party; they were intended for us to properly conduct our proceedings in relation to matters for which the Executive has general responsibility.

It is clear that the Tories' attempt is a contrivance, a ruse and a mechanism to make up for a basic and straightforward failure. That failure was identified repeatedly by Bill Aitken when the First Minister announced the formation of the inquiry—the inquiry lacks the powers to compel the appearance of witnesses or the production of documents under the Tribunals of Inquiry (Evidence) Act 1921. I commend the 1921 act to anyone who enjoys reading clear prose. It is because the inquiry does not have the power to force a recalcitrant witness to co-operate that we are where we are.

There is a more fundamental reason why we do not support the Tories' proposal. No one argues more vociferously than I that the BBC is wrong. Indeed, I believe that it is fundamentally wrong—and I will return to that subject in a second. However, it is a fundamental principle of democracy that Parliaments do not act as pin-striped bovver boys who push around independent media and broadcasting corporations, even—and perhaps particularly—when we all think that they are wrong.

David McLetchie: Will the member give way?

Fergus Ewing: No, the member has had quite a lot of time.

If the Tories seek to present themselves as bastions of freedom of information, I should refer them to the Zircon affair, when they sent the police into the BBC to raid the files and tapes that related to that matter. Ironically, the Solicitor General at that time was one Peter Fraser.

The BBC's position is extremely inconsistent. Indeed, I made that serious charge on "Newsnight Scotland" on 29 October 2003. The corporation began by arguing that guarantees had been provided, with the implication that they applied to every interviewee. However, on that same day, when I asked the Presiding Officer whether that was true, he said:

"I have to say ... I was given no guarantees, nor was I asked about the subsequent use of the footage."—[*Official Report*, 29 October 2003; c 2635.]

The impression given was misleading. After I pointed that out on "Newsnight Scotland", I received a vitriolic letter from a Mr Ian Small of the BBC, which is on the Holyrood inquiry website if anyone wants to read it.

The BBC is on shaky ground; its position is untenable and unjustified. However, in conclusion, I suggest two alternatives. First, we should not simply ask the BBC to hand over the tapes, but all party leaders should combine in a delegation and go to the BBC chiefs. [*Interruption.*] That is democracy. The Conservatives might want to send in the police and the boover boys, but we do things rather differently in a democracy.

Secondly, because the key omission is the lack of properly constituted powers, we should explore the ability to provide the inquiry with those powers. Ironically, under the Scotland Act 1998, the Parliament does not even have the legal powers to do that. We would have to ask Westminster to use its powers in that respect. However, under the current system, we are where we are. I have suggested the way ahead; that is what we should do and indeed is what I will be doing. We should not abandon every principle concerning the freedom of the press that we in a democracy stand for—or should stand for. Instead, we should pursue things correctly. That is what we in the SNP are calling for and what we shall be doing.

I move amendment S2M-1117.2, to leave out from "agrees" to end and insert:

"believes that, whilst it is wholly inappropriate for any parliament to issue orders to the press and media requiring them to hand over material, the BBC should cooperate with the Holyrood Inquiry by providing to it the tape recordings of the interviews with the late Donald Dewar and Enric Miralles, which have been filmed for the proposed programme, "The Gathering Place", because they may include material of relevance to the remit of the Holyrood Inquiry; further believes that the Holyrood Inquiry should have had conferred upon it at the outset the powers to compel the appearance of witnesses and production of documents set out in the Tribunals of Inquiry (Evidence) Act 1921; considers that the First Minister and the Presiding Officer should now explore whether such powers can yet be conferred upon the Holyrood Inquiry; believes that the leaders of all political parties in Scotland should immediately agree to write jointly to the BBC calling upon it to cooperate with the Inquiry, and considers that the First Minister should seek to appear before the Inquiry as a witness in order to answer questions about his role as Minister for Finance."

16:02

Robert Brown (Glasgow) (LD): I should begin by declaring an interest. As a member of the Scottish Parliamentary Corporate Body, I have been interviewed occasionally by the producers of "The Gathering Place". However, although I can recollect neither what was said nor what was asked, I am pretty sure that there is nothing of interest to the Fraser inquiry in my section of the tapes, and I am certain that I did not reveal the secrets of my soul in them.

I have not seen the tapes and have no idea what Donald Dewar or Enric Miralles might have said, but I am equally certain that they are not some Holyrood version of the Watergate tapes and that there are unlikely to be any hitherto unknown revelations on them. Lord Fraser has not made any formal request in writing to the Parliament for help over the tapes. Indeed, it is a matter for him—not David McLetchie or indeed this Parliament—to decide how significant he thinks the tapes are.

Dennis Canavan: Will the member give way?

Robert Brown: No, not at the moment.

Dennis Canavan: Will the member give way?

Robert Brown: I am sorry, but I am not giving way at this moment.

It should not be beyond the wit of man for the inquiry and the BBC to reach agreement on this matter. Indeed, we know that the BBC offered Lord Fraser a transcript of the individual sections with Donald Dewar and Enric Miralles with references to third parties removed.

The First Minister and the Presiding Officer set up the Fraser inquiry to find out the truth about the Parliament building. Of course, the Auditor General for Scotland will also produce a report—not his first one—on the issues within his provenance. Lord Fraser has already cast much light on the background to the project.

That said, does anyone seriously believe that the tapes will add significantly to the sum of human knowledge in this respect? I see no particular reason why they should not be released to the inquiry, but that must be done by agreement. We have to approach the issue according to substantial established principles.

Mr Brian Monteith (Mid Scotland and Fife) (Con): I hear what the member has said. However, can he seriously claim that the tapes will not contribute evidence to the inquiry?

Robert Brown: I simply say that I do not believe that they will, and I take the view that the issue has to be approached according to established principles.

Primarily, there must be a reasonable expectation of relevant and testable evidence being available, which will add key information about the matter. The tapes cannot in any event be cross-examined. A voluntary agreement is one thing, but it is a different ball-game for the Parliament to require production of the tapes. Such a move would be a gross interference with civil liberties and with the independence of the BBC.

I am equally clear that the independence of the BBC should not be threatened by the irresponsible, publicity-seeking actions of the Conservative party in the Parliament. I say to the Conservative members that to require the production of the tapes would set a disastrous precedent for the future of the BBC, other organs of the media and the Parliament. Only the most overriding principles in situations of overriding public safety could justify that action, and such a situation does not arise here. It particularly does not arise when people try to twist the law and the legal powers of the Parliament to achieve their ends—that is what the Conservative motion does. That is the way of an arbitrary and unprincipled exercise of power, and it should have no place in the actions of this Parliament.

David McLetchie: Will the member take an intervention?

Robert Brown: I am in my last minute.

I campaigned for this Parliament for many years and I believe that it is able to do much good for Scotland. It has undoubtedly been harmed by the long-running saga of the Parliament building, but today's motion is little more than a political stunt by the Tories. David McLetchie has consistently used the Holyrood project to attack and denigrate the devolution settlement. No press story about the building is complete without a sarcastic sneer or jibe from him. David McLetchie is the same Tory leader who refused to take his place on the Holyrood progress group to give us all the benefit of his advice on to how to do the project better.

In conclusion, the words of a former Conservative Prime Minister, Stanley Baldwin, come to mind:

"Power without responsibility—the prerogative of the harlot throughout the ages!"

I move amendment S2M-1117.4, to leave out from "agrees" to end and insert:

"notes the current Holyrood Inquiry being conducted by The Rt Hon The Lord Fraser of Carmyllie QC as instigated by the First Minister and the Presiding Officer; encourages all those with an interest in the Inquiry to provide Lord Fraser with all required documentation and material and strongly encourages both the Inquiry and the BBC to arrive at a mutually acceptable resolution to the ongoing issue surrounding the availability of information from tapes of the Wark Clements Productions' programme entitled "The

Gathering Place"; supports the independence of the BBC against political interference as a fundamental bulwark of our civil liberties, and believes that the Parliament would undermine the independence of the BBC by seeking to compel it to take any particular course of action but would nevertheless welcome a decision by the BBC to allow Lord Fraser appropriate access to the tapes."

16:07

Mr Kenneth Macintosh (Eastwood) (Lab): I am pleased to open for the Labour party. I was a BBC producer for 12 years; I speak not as someone with a direct interest but, like many other members, as someone with an informed and strong concern about the Conservative motion.

First and foremost, the BBC has a right and a duty to defend its reputation as an independent broadcaster. However, that right is not absolute, and should not be exercised at the expense of its duties to justice, truth and fairness. As the Hutton inquiry revealed only too clearly, those who are charged with managing the BBC have to exercise judgment about when to defend the BBC robustly, and when they might be disproportionately using its weight and reputation to defend a highly contentious decision.

When I heard about the BBC's refusal to hand over the tapes for the programme on the Holyrood building, I questioned its judgment. I could have understood it defending the confidentiality of its journalistic sources, but given that Donald Dewar and Enric Miralles had since died, it looked to an outside observer as if it was defending its audience ratings rather than its journalism. I was also concerned about what looked like a point-blank refusal to budge.

However, it is quite clear that that is not what has happened in this case. The BBC has offered to share the information with the Fraser inquiry. On "Newsnight Scotland" last night, the controller of BBC Scotland, John McCormick, made it quite clear to David McLetchie that he has offered Lord Fraser access to the interviews in question. Before Mr McLetchie starts bleating about what kind of access that is, my point is that John McCormick has exercised his professional judgment on the matter. He is a highly experienced and respected broadcaster, who steered the BBC through the turbulent political process of devolution, during which time broadcasting was often at the heart of the debate, and he has clearly reached a balanced decision about the tapes.

Rather than negotiate through the pages of the press, the BBC tried to open discreet talks with Lord Fraser to resolve the problem in an adult fashion. Initially, that led many people, including me, to jump to the wrong conclusions, but the BBC put up with that damage to its name on the ground that it was trying to do the right thing. John

McCormick's decision was informed by the public interest as well as the BBC's interest. At the very least, we should respect the views of someone who has an outstanding record of public service. The contrast with Mr McLetchie's position could not be clearer.

On "Newsnight Scotland" last night, Mr McLetchie's threats to John McCormick of black Marias, £5,000 fines, or three-month prison sentences represented a shameless attempt to bully someone who is in an awkward position. The images that were immediately conjured up in my mind were those of the Tory years, when the police were constantly being sent round to Broadcasting House to seize tapes and the Government of the day made no attempt to hide its desire to intimidate the broadcasters.

John Swinburne (Central Scotland) (SSCUP): Will the member give way?

Mr Macintosh: I will give way in a minute, if the member does not mind.

The Tories have long been anti-BBC and anti-Scottish Parliament and it strikes me that they grasped the opportunity for today's debate with relish, rather than with reluctance. While those of us who respect an independent media wring our hands in despair, the Tories are rubbing their hands in glee.

John Swinburne: There is absolutely nothing new in any establishment trying to hide or disguise the truth. More than 200 years ago, Rabbie Burns had the classic response to a similar situation, which was duly written down for posterity.

The Deputy Presiding Officer: What is your point, Mr Swinburne?

John Swinburne: What Rabbie Burns said is as true today as it was then:

"Here's freedom to them that wad read,
Here's freedom to them that wad write!
There's nane ever fear'd"—

The Deputy Presiding Officer: That is a fascinating exercise in verse, Mr Swinburne, but I would be grateful if you would take your seat and allow Mr Macintosh to resume his speech.

Mr Macintosh: Even if all members do not share my opinion that we should trust the measured judgment of the BBC over the political opinions of the Tories or those with an agenda, it is fair to ask what justification or reason there is for the Parliament to take the radical step, not just of intervening in the workings of an independent inquiry, but of using its full powers against our independent, national, public service broadcaster. I believe that we would need to be convinced that Lord Fraser had exhausted every other avenue that was open to him or, at the very least, that

Lord Fraser had tried to use some of the extensive powers that are already at his disposal. I see no evidence that that is the case.

David McLetchie: Will the member give way?

Mr Macintosh: No, thanks.

Lord Fraser has not even invited the producers of the programme to give evidence and, as Robert Brown pointed out, he has not written formally to the Parliament to ask us to use our powers.

Margo MacDonald: Will the member take an intervention?

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

Mr Macintosh: I am in my final minute. There is a fundamental flaw in the motion, which asks us to order the handing over of tapes when we do not know what is in them or whether they would be of any relevance to the Fraser inquiry. Whatever material was gathered was not given on the record at the Fraser inquiry and we do not know the intent of the individuals involved when they were interviewed.

In passing—I wanted to intervene during Mr McLetchie's speech to make this point—I want to say that I object to the implication that the BBC would somehow censor any material that was at its disposal. It is a far cry from respecting the context of trust in which comments were made, to manipulating information to thwart Lord Fraser's efforts.

Many reputations have already been damaged as a result of the Holyrood building project and this row with the BBC. Let us not add to that damage by invoking the full powers of the Parliament against one of our most respected national institutions. Let us urge those involved to seek a constructive solution, so that we can retain our confidence in the Fraser inquiry and our trust in the BBC and so that we can rebuild respect for the Scottish Parliament. I urge members to support Robert Brown's amendment and to reject the Conservative motion.

16:13

Mr Ted Brocklebank (Mid Scotland and Fife) (Con): I have some admiration for the BBC's programming skills. In the career that I pursued before I entered the Parliament, they were often the benchmark against which other broadcasting organisations measured themselves.

However, broadcasters and journalists were not always so sure about the quality of the corporation's judgment. In recent weeks and months, it has been interesting to witness—at national and at local level—that failure of judgment at the highest levels in the BBC. I believe that

there has been a catastrophic series of misjudgments by BBC Scotland in the current controversy. Frankly, the problem could and should have been sorted out months ago. Despite what the First Minister claims, there is no great issue of press freedom. No one is suggesting that the tapes should be confiscated or that Lord Fraser should have any involvement in eventual editorial decisions, so what or whom is the BBC trying to protect?

In my previous role as a television producer, I routinely co-operated with the police, procurators fiscal and others by allowing them to view rushes, having made it clear that there should be no attempt to influence the subsequent editorial line. The rushes for the Holyrood programme will already have been checked for quality by recordists and they will probably have been viewed by dozens of production staff within Wark Clements and the BBC. Yet, incredibly, BBC Scotland has been unwilling to allow Lord Fraser similar unfettered access to unedited material.

Pauline McNeill (Glasgow Kelvin) (Lab): Will the member give way?

Mr Brocklebank: No, I would like to carry on.

Over the weeks and months, we have heard all kinds of weasel words from the BBC. First, it appeared to claim that Miralles and Dewar had signed release forms in respect of their interviews being screened only in the final, edited programme. However, when it transpired that other contributors—including the Presiding Officer himself—had given interviews and recalled signing no such release forms, the BBC's story changed. We were told that the issue was really one of editorial integrity. While that line was still being peddled, we discovered that the BBC was in secret negotiations with Lord Fraser about handing over edited versions of the interviews. What price editorial integrity? For a state-funded body to be offering an edited version of interviews to an official inquiry, rather than offering full access, is either breathtaking arrogance or woeful misjudgment.

Of course, Lord Fraser could accept no such selective presentation of material and the secret negotiations foundered. The plain fact is that the BBC has totally misjudged its responsibilities as a public broadcaster. None of us knows whether the Holyrood tapes contain anything of value to the inquiry. The producer, perhaps not surprisingly, claims that they hold important material—which is all the more reason for us to have access to them before Lord Fraser's inquiry reports.

Jack McConnell and the SNP claim that more pressure should be brought to bear on the BBC to hand over the tapes voluntarily. What further pressure do they suggest? BBC Scotland has, for

months now, repeatedly resisted urgings from Lord Fraser, Jack McConnell and from all sides of this chamber to hand over the tapes. If the First Minister will not use his powers in relation to the BBC, will he ever use them to help the inquiry? Or is it only the media that are to be above the law?

When I last spoke here about this documentary, inadvertently, but perhaps presciently, I referred to it as a gathering storm. That storm is about to break, with potentially disastrous consequences for BBC Scotland, but also for the Executive and the Parliament. If the Scottish Parliament ducks its responsibility today to give Lord Fraser the support that he has requested, it will be guilty of an even graver lapse of judgment than that of BBC Scotland. I urge members to support the motion.

16:17

Stewart Stevenson (Banff and Buchan) (SNP): There are many occasions on which I would wish to direct the media in their activities, but it is not the job of the Parliament or politicians to operate the BBC or any broadcasting—other than that which directly provides the feed of our own activities from this chamber and the committee rooms. On that basis, the Tory motion is entirely misplaced. However, there may be more to this issue than there appears to be. Mr Michael Howard's desire to soak up to Murdoch by disconnecting the BBC from its core public service obligation and by supporting the efforts of News International to become the most significant provider of news is well understood. The Tories hate anything that serves public good at the expense of private profit.

Note the words that David McLetchie used about the BBC: he said that it should be "required to comply". Required by politicians, that is. David McLetchie fails to make the very important distinction between a command from politicians and a command from a legal institution.

David McLetchie: Will the member take an intervention?

Stewart Stevenson: Mr McLetchie had his chance and would not take it. Sit.

Mr McLetchie fails to make that distinction, and that is why the SNP amendment focuses on the Tribunals of Inquiry (Evidence) Act 1921, to give the Fraser inquiry—that legal institution—the power to require the BBC to act. There is a world of difference between politicians directing the BBC and lawyers doing so.

However, none of that is to say that the BBC comes out of this with its reputation enhanced—far from it. A dignified recognition that a public good would derive from its releasing the interviews with those who cannot now speak for themselves

would have done the BBC much good. In the absence of a response from the BBC to the Fraser inquiry's requests, we are left with two possible conclusions, neither of which is especially palatable.

Rosie Kane (Glasgow) (SSP): The inquiry is about a cost overrun and this debate is about the BBC in relation to that inquiry. Does the member agree that the Parliament and the BBC are failing the public by not mentioning another inquiry that is taking place? I am referring to the M74 inquiry, which also—

The Deputy Presiding Officer: I am afraid that the member is wandering right off the subject and that she must now resume her seat, as her sound has been taken away. I invite Mr Stevenson to continue his speech.

Stewart Stevenson: I have noted what the lady said and I am sure that there is some merit in it.

The key point is that the tapes may contain dynamite; if they do, withholding them from the inquiry so that the real meat cannot be seen is concealment, which is not acceptable. The alternative is that the tapes are banal. In a sense, that also tells us a story about the lack of attention of those people who were involved—

Mr Macintosh: Will the member give way?

Stewart Stevenson: I am sorry, but I am in my final minute.

The apparent absence of fair dealing on the part of some members of the Executive is what gives some weight to the conspiracy theorists and traps our democracy in a backward-looking time warp. The First Minister could set to one side many of the criticisms by a brief appearance in front of the inquiry. I regret that he has not done that, but he could exercise real leadership now by joining the other leaders and adding the weight of his office to the weight of their offices to persuade the BBC to do the decent thing. He could do even better by giving the tribunal the powers and persuading Westminster in that regard.

16:21

Mr John Home Robertson (East Lothian) (Lab): I have just come up from the Holyrood site and I am afraid that I have some bad news for David McLetchie—the project is moving towards completion very rapidly indeed. When the Parliament flits later this year, after all the years of recriminations about the design, the site, the process and the mistakes—both real and perceived—people in Scotland are going to find themselves the owners of a very fine national building that is a world-class Parliament building, not a fiasco. When that happens, David McLetchie and his friends will have to find something else to

girn about. Mr McLetchie faithfully represents the doom-and-gloom school of Scottish self-esteem, which was once immortalised by a certain Private Fraser—but I had better move on to another Fraser.

I certainly wish Lord Fraser well in his efforts to work out what the buck is and where it should stop. I expect that it will be quite a lot easier for him than it has been for members of the Holyrood progress group to judge who or what has been responsible for specific problems, delays and costs, because the inquiry obviously has the benefit of hindsight.

Like other members, I find it extraordinary that Lord Fraser has not yet found a way of taking up the BBC's offer of access to material that has been collected for the documentary. On the basis of the highly diligent work by its researcher Susan Bain, who has been present at countless meetings over several years, the Wark Clements team will certainly have a very good understanding of this epic. That information would be of great value to anyone who is taking a serious interest in the subject. Like Robert Brown, I never received or requested any undertaking to embargo any material, although I have no way of knowing whether such undertakings were given to Donald Dewar or Enric Miralles. I would have no objection whatever to the disclosure of material to the inquiry.

That said, I respect and strongly support the duty of our public service broadcaster to make professional and ethical judgments about the disclosure of information. The BBC has an excellent track record. Very occasionally, it gets things wrong and I hope that Lord Hutton's findings will encourage it to try harder, but it would be reckless and, I submit, wrong for this Parliament to set a potentially dangerous precedent by imposing a political decision on the British Broadcasting Corporation in Scotland. On the grounds that it would be wrong for any Government to do that and that it would be just as wrong for this Parliament to interfere with the BBC's independence, I intend to support Robert Brown's amendment.

I want to say a word about the big issue that may or may not be covered in Donald Dewar's interviews. Every media story about Holyrood is prefaced by the assertion that the budget for the building is supposed to be £40 million. That is just not true. That figure, which comes from the 1997 white paper, was for the construction cost only of a completely different building—a standard type of building with a short design life on a low-cost site.

The fact is that Donald Dewar went through a process of decision making in 1998 and that he rightly went for a city centre site and an international design competition for a very different

type of building with a long design life. That is what happened—that is the building that is now being completed. Undeniably, the building is very expensive; I regret that as much as anybody. I think, however, that Scots will be taking a pride in the Holyrood building long after David McLetchie and those like him have been forgotten.

16:25

Robin Harper (Lothians) (Green): I rise to speak against the motion. Section 23 of the Scotland Act 1998 should not be used to undermine the freedom of the press and it should certainly not be used in this instance. To agree to the Conservative motion would be to set an appalling precedent that could damage the reputation of the Parliament not only in the eyes of the people of Scotland but internationally.

I am sceptical of the SNP amendment, which I think is out of time. I supported the motion that Margo MacDonald lodged on 10 March. The safe environment of a members' business debate—following which there is no vote—on her motion would have enabled MSPs to express an opinion, which the BBC and the Fraser inquiry could have considered. However, as far as I can remember, hardly any Conservatives supported that motion.

The Conservative motion is a completely different creature: at its head is a measure that would undermine the freedom of the press and close to its tail is an outrageous piece of political opportunism that is cynically designed to grab a last few headlines before the new Holyrood building is unveiled.

I supported the Holyrood project from the very start. The Conservatives, however, refused to join the Holyrood progress group. For the past few years, they have been content to abdicate responsibility and howl from the sidelines.

David McLetchie: Will the member give way?

Robin Harper: No. I find David McLetchie's behaviour incomprehensible.

I am quite certain that when the Scotland Act 1998 was drafted, nobody in their right mind would have considered that section 23 would be used by the Parliament to compel any branch of the media to hand over unbroadcast or unprinted material in the circumstances that we face at present.

I have little sympathy with Fergus Ewing's approach, which is late and out of time.

In a free society, the balance must always be in favour of the people to whom we entrust the task of exposing wrongdoing and who, through clear and factual reporting, counter the spin of politics. The BBC must be protected from being turned into a political football, which is the situation that we are witnessing at the moment.

For five years, the Conservatives and the SNP have provided opposition, which has, on occasion, been trenchant and witty. Today, the Conservatives think that they smell blood; they are prepared to sacrifice even the freedom of the press on the altar of political opportunism. The Parliament should reject the motion.

Journalists across the world need to have their independence assured. They use cameras to film trouble spots—they film men with guns in dangerous places. If we do not guard jealously our media's independence, we risk the guns being turned on the cameras instead of the cameras being turned on the guns.

On behalf of my party, I reject the Conservative motion.

16:28

Carolyn Leckie (Central Scotland) (SSP): It is important to place the subject of the debate in a political context and in perspective. I sense a wee bit of baying for blood in the chamber. A bit of an unseemly attack is being made on a target that has been softened up by Blair's shenanigans in trying to avoid any real scrutiny of the reasons for going to war in Iraq.

We should put the debate in the context of, for example, the overspends in the Ministry of Defence's budget for death and destruction. The MOD overspent by £3 billion in one year alone and its 20 largest projects are a total of 144 months behind schedule. One Nimrod aircraft project is £538 million over budget—

The Deputy Presiding Officer: Will you be coming to the point, Ms Leckie?

Carolyn Leckie: Yes, I will be. I am putting the debate in its political context. We are politicians; I thought that we wanted to talk politics.

The Deputy Presiding Officer: We have a motion and two amendments to speak to.

Carolyn Leckie: The points that I am making are relevant. The MOD was £1.3 billion over budget on the Typhoon aircraft. One company, BAE Systems, is responsible for all of that.

I wish that the Scottish Parliament and the Westminster Parliament would apply the same scrutiny to those overspends that is being given to this debate. I would like to see BAE Systems compelled to hand over its accounts so that we can ask where the heck all the money has gone.

However, there is a serious issue that must be considered in the context that I have laid out. Personally, I am bored to tears by the coverage from "Newsnight Scotland" of the Holyrood inquiry night after night. I am on the point of starting to believe that Fergus Ewing is a character in a new

soap, whose ratings must be in single figures. Folk are in danger of getting their knickers in a twist.

Voting for draconian action would set a dire precedent for the rights of BBC and other media journalists not to disclose their sources or breach confidentiality. I cannot support any compulsion of the BBC or of journalists to hand over the tapes.

Mr Monteith: Will the member give way?

Carolyn Leckie: No—sorry.

I cannot support any pressure being brought to bear to hand over notes or untransmitted material, so I cannot support the amendments. I defend the right of “Newsnight Scotland” to be boring if it wants to be. That is its editorial decision.

The Parliament should take very seriously indeed the representations that the National Union of Journalists has made. It is not that I have any illusions about the independence of the media or the BBC. Governments, the security services and big business get off lightly at the expense of trade unionists, strikers—such as the nursery nurses—the vulnerable, the poor, community campaigners and other campaigners, including those who have campaigned against the M74 extension.

I regret that my amendment was not accepted. Robert Brown’s and Fergus Ewing’s amendments do not go far enough, as I do not accept that it is right to apply pressure of any sort. I happen to think that the tapes will not make the inquiry or “Newsnight Scotland” any more exciting, but the precedent that would be set would be very grave.

Where are we going? For goodness’ sake, why are we not debating Tony Blair’s announcement yesterday that he is considering authorising covert surveillance for hooliganism?

David McLetchie asked what we would do to put the tapes in the public domain. The simple answer is that he must wait for the schedules to come out. He will see the material soon enough. However, I think that the issue of Jack McConnell not appearing at the inquiry is pertinent. We should discuss that. If the First Minister is not prepared to appear in front of the inquiry, there should be an element of compulsion.

16:32

Margo MacDonald (Lothians) (Ind): I regret that my amendment to the Conservative motion was not accepted. My amendment sought to clarify that the Fraser inquiry has intimated that continued withholding of the information could impair its ability to report in the summer as it said it would. I will develop that point later.

I also regret that the Presiding Officer did not accept my emergency question today, which would have disposed of the matter once and for

all. I wanted to ask the Scottish Executive whether it was aware of the Fraser inquiry’s concern that the continued withholding of the material is a possible impediment to the ability of the inquiry to report.

Mike Rumbles: Will the member take an intervention?

Margo MacDonald: Let me get started before I take any interventions. The member has been dying to intervene since I spoke earlier.

My emergency motion and my amendment would have highlighted the superiority of the public interest over what the BBC perceives as the corporation’s interest.

For those who have questioned whether Lord Fraser has asked the Parliament to get the tapes, let me quote from a letter that the inquiry sent to Dennis Canavan and me on 25 March:

“The continued withholding of this material is a potential impediment to Lord Fraser’s ability to submit a final report this summer ...

I am copying this letter to the Presiding Officer.”

Therefore, the Presiding Officer is aware of Lord Fraser’s concern that the inquiry does not have access to the tapes.

Mike Rumbles *rose*—

Dennis Canavan *rose*—

Margo MacDonald: Now I have two members asking to intervene. I will give way to the best looking one.

Mike Rumbles: I thank the member for giving way with such a nice comment.

Margo MacDonald: I have to soak up to Mike Rumbles.

Mike Rumbles: Surely what Lord Fraser has said to one witness or another is beside the point. Has Lord Fraser written to the Presiding Officer to request that the Parliament take action—yes or no? I think that the answer is no.

Margo MacDonald: I did not want to use my time to explain all this, but the letter states that Lord Fraser

“has expressed some surprise that the powers of the Scottish Parliament are as circumscribed as they appear to be even when the Parliament seeks to exercise a power solely and exclusively for its own purposes.”

That reference is to the fact that the Parliament might seek to hand on the tapes. However, that is not being sought; the motion does not suggest that it is, either.

We will indulge the BBC’s sense—which is misguided in this instance—of its journalistic integrity if we vote for Robert Brown’s amendment, because it would give the BBC carte blanche to

cause the Fraser inquiry to spend more public money. That is against the public interest, and it is therefore not bullying for the Parliament to use its power under section 23 of the Scotland Act 1998 to protect the public interest.

Two ministers in the Executive have a “general responsibility”, to quote section 23, for the Fraser inquiry: the First Minister, who set it up and defined the expectation of what it might achieve as regards illuminating the process that has led to such an overspend on the Holyrood project; and the Minister for Finance and Public Services, who must be judged to have a general responsibility, as he must find the money to pay for the Fraser inquiry and try to ensure best value for public money.

The Executive has made strenuous efforts to persuade the BBC to allow the Fraser inquiry access to the material in the tapes in the interests of its public duty, as that material has the potential to help or hinder the inquiry to report this summer. We would all prefer to win arguments by persuasion, but if we fail to do so and the public interest is at stake, we must not be afraid to use the power that is legally vested in the Parliament, and that is what I ask members to consider doing today. Public opinion is behind us in seeking to obtain access to the tapes to assist the Fraser inquiry, but what opinion of us will the public form if, by voting for Robert Brown’s amendment, we concede that the BBC is in a better position than the Parliament to decide what is in the public’s best interest and whether more money should be spent on prolonging the Fraser inquiry?

Robin Harper said that he cannot support the motion because he is concerned about the BBC’s integrity, but the motion has nothing to do with that; it has to do with the Parliament’s responsibility to protect the public interest. How many of us, including Robin Harper, are prepared to justify spending more than necessary on the Fraser inquiry when nothing that Peter Fraser is likely to do will spoil the BBC’s reputation—the Hutton inquiry excepted, of course—for protecting its sources?

I ask members not to vote for the soft option; people will ask why they need us if we balk at taking the hard choice.

16:37

Miss Annabel Goldie (West of Scotland) (Con): In my speech, I seek to do something that does not come easily to the inmates of the Parliament: to see ourselves as others see us. Nothing has offended the public more than the faltering and expensive progress of the Parliament building project. It is sad to say that the project has become an icon for the public of all that is

provocative, frustrating, enraging and incomprehensible about the political process. That angst and rancour have struck at the core of public regard for devolution, and, as one nightmare scenario after another has emerged from the Fraser inquiry, the public ire has intensified.

To be frank, the public have an appalling opinion of MSPs; they want both an explanation and the facts. An inquiry without the tapes is tainted, and the public know that. The vision of politicians dancing on debating pinheads that we have seen today—be it Robert Brown and his literary eau de Nil emulsion or the deferential apologist for the BBC in Ken Macintosh—is calculated to provoke further public wrath, and if the public is hostile to the political process, it is no less disaffected by the BBC. If the inquiry is to avoid being discredited, the tapes are required, and Lord Fraser knows that. The disaster of the expensive and tardy progress of the building project is unique—we must be clear about that—but perhaps it is that uniqueness that explains why it has monopolised public interest.

None of us wants a project of that type ever to be repeated or an embarrassment of that sort ever to be visited on the Scottish public again. Politicians can step in today and do two things: something to try to retrieve their badly damaged public image; and something substantive and constructive to try to procure the tapes.

If the BBC can volunteer a tape to the Hutton inquiry and can be compelled by an inquiry under tribunals legislation to give information, it is difficult to see why, in the case of a unique, unusual and extraordinary incident of this type, the BBC cannot volunteer to make its tapes available, particularly given that one of the parties that is associated with the tapes was involved in the initial part of the project and herself gave evidence to the inquiry.

I support the motion because I think that it will do two things: it will do a lot to justify our belief that the Parliament is worth while; and it will explain to the public that the Parliament can actually do something useful that they want it to do. That would assist the inquiry the whole purpose of which is not to comfort us or to excuse, absolve or explain what we have been doing, but to explain to the public, beyond a shadow of a doubt, what happened, and then leave them to make their judgment. The inquiry cannot do that unless the tapes are produced. I support the motion.

16:41

Iain Smith (North East Fife) (LD): At the heart of the debate is the question whether the Parliament should use its powers under sections 23 and 24 of the Scotland Act 1998. It is important that the Parliament think very carefully before using such powers, under any circumstances. The

powers are there as a backstop to prevent public bodies and organisations that use public money from not disclosing to the Parliament information that it requires to conduct its inquiries fully. They are not there to be used as a battering ram against media organisations that may or may not have information as a result of their work as independent, free media that may be of interest to—although not necessarily required by—the Parliament.

I happen to believe that the row over the tapes has been blown totally out of proportion to its relevance. As Robert Brown suggested, I do not believe that that there will be anything on the tapes that will shed any light on the Holyrood inquiry that Lord Fraser cannot get from the other sources available to him for his inquiry. I do not believe that a single word on the tapes will constitute information that is not already available to the Fraser inquiry. It is completely pointless for this row to go on.

Margo MacDonald: I wonder if the member is aware that the producer of "The Gathering Place", Stuart Greig, said on "Newsnight Scotland" last night that there was some very interesting material on the tapes and suggested that Benedetta Tagliabue might have forgotten what she had said. The whole purpose of the Fraser inquiry getting access to the tapes is so that Lord Fraser can compare what was said then in the light of what we know now.

Iain Smith: Producers will always say that what they have produced is very interesting. I have read many a report advertising a supposedly very interesting newspaper story but, when I have picked it up, it turns out to be the dullest thing ever.

My point is that the Fraser inquiry has access to the information that it requires. Sadly, it obviously does not have access to Donald Dewar and Enric Miralles, who are now dead. We hear that, because those people are now dead, we must have access to tapes of them being interviewed. That is rather strange. Do the people who are calling for that also want access to every single person who may or may not have had a conversation with Donald Dewar or Enric Miralles about the Holyrood project over the years? Perhaps Lord Fraser might wish to go to the Links market in Kirkcaldy next week, speak to Gipsy Lee Rose and see whether she can make contact with Enric Miralles and Donald Dewar. We are getting into a situation in which we are looking for things on which people cannot be cross-examined—

Phil Gallie: Will Iain Smith give way?

Iain Smith: I do not have time to give way. I am in my last minute and I have some important points to make.

Phil Gallie: Will Iain Smith give way?

The Deputy Presiding Officer (Trish Godman): The member is not giving way, Mr Gallie. You now have one minute, Mr Smith.

Iain Smith: Robert Brown's amendment says that the Parliament believes the BBC should work with the Fraser inquiry to ensure that the relevant information is made available to the inquiry—if there is any relevant information. That is a sensible suggestion: Lord Fraser should discuss with the BBC its offer to give limited access to the tapes. I do not see any problem with that, and Lord Fraser should do it. However, we do not want the Parliament to start attacking the freedom of the press. The idea seems to be that every single notebook of every single journalist up in the press gallery now might be called for by the Fraser inquiry. That is not the sort of Parliament that I want.

I have serious doubts as to whether the Conservatives' proposal is actually legitimate. I do not think that what they are proposing would be a legitimate use of the Parliament's powers. The Conservatives have quietly twisted what they were originally calling for, which was for the Parliament to call for the Fraser inquiry to get the tapes. They now realise that that cannot be done and have moved a rather convoluted motion that refers to "an appropriate Parliamentary committee".

The Parliament will make a decision when Lord Fraser's report is—

David McLetchie: Will the member take an intervention?

Iain Smith: No—I am in my last few moments.

The Parliament will decide what to do with Lord Fraser's report when it receives it. It will then decide whether it requires any further information in order to make further judgments. It is not for the Parliament to pre-empt either that decision or Lord Fraser's report. The Conservatives really ought to realise that.

Section 26(5) of the Scotland Act 1998 states:

"For the purposes of sections 23 to 25 and this section, a person shall be taken to comply with a requirement to produce a document if he produces a copy of, or an extract of the relevant part of, the document."

The important phrase is, "the relevant part". Let us see the relevant part.

16:45

Fergus Ewing: The debate is, above all, about ensuring that the Fraser inquiry receives the evidence that it needs to succeed. We know that, at present, it will not receive the tapes unless the BBC changes its position. We also know that the First Minister has not been asked to give evidence

and is not insisting on doing so, which I believe is a serious error. The Conservatives have pointed out in their motion that it is the role of this Parliament to consider the work of the Fraser inquiry and to enhance the debate that ensues after the publication of the inquiry report. I submit that it is not only legitimate but our duty to make criticism in respect of the inquiry where it is felt due. I say that as someone who has attended every evidence session of the Fraser inquiry, with one exception, and who has pored over virtually every document on the inquiry website.

When Barbara Doig advised the late First Minister in a memo of 23 March 1999 that, given the increase in the estimated cost of the building, the budget must increase from £50 million to £60 million, the public are entitled to know why that information was not shared with them. We have the memo of 14 April 1999 in which Donald Dewar explains that that information should not be made public because a review was being carried out by independent consultants and the results of the review of costs would be available later in May. In other words, the reason that the information was hidden from the public was that the First Minister adjudged that cost consultants were doing reports.

We have been told by just about every civil servant witness, from Sir Muir Russell down, that the Davis, Langdon & Everest reports—the cost consultant reports—were not shown to the late First Minister, which I accept. However, there is the question—and only Mr McConnell is alive today to answer it—whether he was told what the reports contained. That question must be answered. I know from studying the inquiry documents that he was told of certain components. He was told in a memo of 19 May 1999 that there were commercial contingencies valued at £5 million or £6 million. He was told on 2 June at a meeting with the late First Minister, Messrs Gordon, Gibbons and Grice and Mrs Doig that there were risks. Did he ask what those risks were? He was told at that meeting that one of the risks was client change, which was one of the components in the DLE report. He was told in a memo of 26 May that the cost consultants' estimate, comparable with the feasibility design stage cost estimates of £50 million, was £62.2 million, excluding VAT, fees, contingencies and risk allowances. Did he ask what the risk allowances were? The phrase "risk allowances" means that they were a cost component, and the risk allowances were the DLE allowances. Unless the First Minister answers those questions, the public will have been denied the whole truth. What did he and the late Mr Dewar discuss on 1 June 1999? We know only that they discussed presentational issues.

Iain Smith: Will the member give way?

Fergus Ewing: No, it is too late.

Did Jack McConnell and Mr Dewar discuss the information that we would be told and the information that we would not be told? We know one thing: Jack McConnell was told that the landscaping costs might go up to a certain amount. How much do members think that they would pay for landscaping—trees, a few chips, some lawn and pot plants? Perhaps they would pay £10,000 or £20,000. Jack McConnell was given the figure of £10 million.

I can tell members why the Parliament was not told about that and why Jack McConnell held that information back from the Parliament: he knew that if the public had been told the whole truth and nothing but the truth, members would have voted against Holyrood on 17 June 1999. That is why we have not been told the whole truth. I am delighted to take the opportunity today to say that the First Minister will not be able to hide. He may not bother to attend the debate, but he will be unable to hide when those questions are put to him again.

16:50

Pauline McNeill (Glasgow Kelvin) (Lab): The Tories should not be allowed to forget their history. As others have said, the BBC's studios in Scotland were once raided by special branch after a warrant was issued under instruction from the then Tory Government to remove all tapes that related to a documentary on the Zircon spy satellite and to Duncan Campbell, who was the journalist at the centre of that row. Members who remember the event will recall that the whole country was shocked that the Government had presided over a raid on the BBC by special branch. That is why the issue for us in the Parliament is not only protection of press freedom, but the separation of the powers of a national Parliament and the BBC. Two important principles are involved. I do not want to return to the days of Thatcher in 1986 and I suggest that, on the whole, Parliament does not want to do so, either. We should prevent any such event from happening again.

I welcome the Fraser inquiry and the intense investigation of witnesses that has prevailed in the past few months. I support the position that the BBC and Lord Fraser should reach agreement, but I do not believe that "The Gathering Place" will necessarily give us better evidence than the months of live interrogation have.

Annabel Goldie said that the public were frustrated. I believe that the public are demanding answers about the cost of the Holyrood building, but the public's concern is not about taped interviews with two men. The Tories want access to interviews with two men who, sadly, are no longer with us. They do not ask for anything else

in respect of the programme, such as the fly-on-the-wall footage or examination of witnesses who have given evidence to the inquiry. We should be clear about the Tories' position. The interviews are of limited evidential value: as a lawyer, Mr McLetchie knows that.

David McLetchie: Will the member give way?

Pauline McNeill: I will not.

It would be difficult to use the interviews as evidence, because the interviewees cannot be cross-examined. We should get real about their evidential value.

We should expect the BBC as a broadcaster to protect its position. I would be concerned if the BBC simply handed over without question work that was undertaken for one purpose and which we intended to use for another. The BBC is right to defend the integrity of journalism.

Phil Gallie: Will Pauline McNeill give way?

Pauline McNeill: I will not.

The BBC is also right to defend its position.

Phil Gallie: Will Pauline McNeill give way?

Pauline McNeill: The member is wasting his time.

What I said does not mean that Parliament does not have the right to say that a voluntary agreement should be reached. No warrant or co-operation—to which Ted Brocklebank, who is an ex-BBC producer, referred—would allow anybody to conduct a fishing expedition. If Lord Fraser wishes to use Parliament's influence to secure the tapes, he should be clear about why he wants to see them and what he would use them for.

The Tory motion is dangerous, because it does not place clear blue water between Parliament and public broadcasting. It reads like a warrant, except that it is incompetent. In my view, it is ultra vires. It is clear that section 23 of the Scotland Act 1998 relates to devolved matters.

Parliament has not reached consensus on compulsion. There is no consensus for handing over the tapes willy-nilly without clarification of what they would be used for. Consensus among the parties lies in achieving a voluntary arrangement between Lord Fraser and the BBC. I am concerned that Lord Fraser appears not to have taken up the offer from BBC Scotland's controller; perhaps he is right to question whether the offer's terms are right, but he should break the ice and take up the offer that is on the table. That would allow him to argue for why he needs to see more of the tapes for their evidential value.

I respect the SNP's position, because it starts off well. However, the SNP has taken a no-holds-

barred position that would allow Fraser to go on an absolute fishing expedition and the tapes to be handed over at the door of the reception. I have a big problem with the tapes being simply handed over and I say to Fergus Ewing that I understand that there are quite a lot of tapes. The inquiry must be focused.

Robert Brown's amendment strikes the right balance for all of us in the Parliament who believe that something is to be gained from gently saying that there should be a voluntary agreement. We know that an offer is on the table. As Margo MacDonald rightly said, it is astonishing that the producer of the programme was never asked to appear before the inquiry. That was uncovered last night. Perhaps the producer could have shed light on the purpose of the inquiry's having the tapes.

We should defend the freedom of the press and the separation of powers. We should do the sensible thing and say that Lord Fraser should take up the offer that is on the table and the BBC should do the honourable thing and co-operate.

16:56

Bill Aitken (Glasgow) (Con): A lot of credibility is at stake in this debate. First, there is the BBC's credibility. Its obdurate refusal to co-operate with a Government-appointed inquiry, using the most spurious reasons, does it no credit whatever; indeed, its action prejudices the effectiveness of the inquiry. However, the credibility of Parliament itself must be of greater concern to us this afternoon. Members should not delude themselves—Parliament's credibility is at stake.

No one in the chamber does not believe that the BBC should hand over the tapes. The two amendments to our motion make that quite clear, but many members seem to be unwilling to take the necessary action to ensure that the tapes are handed over and that full credibility is restored to the inquiry.

Those who do not wish to support our motion cannot have it both ways. When the First Minister announced the setting up of the inquiry last June, he stated clearly that the investigation must have full access to documentary evidence. In answering questions, he also reassured us about the terms of the inquiry and its powers. He was very reassuring. As events have unfolded, it is apparent that we should not have allowed ourselves to be so easily persuaded.

Are the First Minister and his colleagues trying to say in effect that the inquiry was not set up with the appropriate powers? There is a clear unease on the part of the Executive in respect of utilising the provisions of section 23 of the Scotland Act 1998. If the Executive is nervous because it thinks

that such a move would not succeed, when it is clear that the First Minister manifestly failed to set up the inquiry with the necessary powers for Lord Fraser to fulfil the task, the blame will rest fairly and squarely on the shoulders of Jack McConnell.

George Lyon: Will the member take an intervention?

Bill Aitken: No.

The Deputy Presiding Officer: The member is not taking an intervention.

Bill Aitken: Both amendments are predicated on the view that the BBC will react to persuasion.

Fergus Ewing: Will the member take an intervention?

Bill Aitken: In a minute.

Indeed, Fergus Ewing seems to believe that letters from the party leaders will bring about the desired results. Unless the BBC management has been stored up on the planet Zog for the past six months, it must be fully aware of the views of the party leaders that the tapes should be released, but it has simply refused to release them. Does Fergus Ewing really think that such a form of persuasion will bring about a desired result? I have never thought of Fergus Ewing as being naive; indeed, he has been tenacious in his pursuit of many issues relating to the fiasco of the Parliament building—and rightly so—but what he seeks to do today will simply not get us anywhere.

Fergus Ewing: As Bill Aitken knows, we believe that the inquiry must have full powers, so what he says is really not the point. Bill Aitken is on record as saying that there are legal problems with using section 23 of the Scotland Act 1998. Does he therefore accept that, if the Tories' motion were to succeed, we could be tied up in the Court of Session in a judicial review action with the taxpayer paying hundreds of thousands of pounds for both sides' expenses?

Bill Aitken: We have not come into the debate lightly—we have firm legal opinion that the motion is competent. Indeed, if the motion was not competent, it would not have been accepted for debate today.

Robert Brown's proposed amendment demonstrates similar naivety. In a speech that plumbed the depths of sanctimony, he sought to hide behind the principle of press freedom. That is no doubt a worthy principle, but does it extend to the deliberate suppression of evidence to an inquiry? I do not think so, but that is exactly what is happening.

Lord Fraser has to produce a report based on the best evidence that is available to him. None of us is in a position to assess the evidential value of the tapes—that is for Lord Fraser. However, I can

well imagine Robert Brown's justified indignation as a defence lawyer were the Crown to fail to adhere to the principle of best evidence in a prosecution.

If we end up expressing no view on the matter today, or if we agree to some anodyne, self-serving amendment, the biggest loss of credibility will be to Parliament. The other day, the First Minister referred to our young Parliament. The Parliament has been established for five years and, in that time, should have developed much more self-confidence and maturity. If members believe—as I am certain they do—that the tapes should be handed over, we cannot do otherwise than take whatever action is necessary to ensure that the will of Parliament is fulfilled.

What Fergus Ewing, Pauline McNeill and Robert Brown have not said is what will happen if, at the end of the day, the BBC still says, "No." Members must show some consistency. Margo MacDonald has been consistent on the issue and lodged a motion that was largely in line with ours. I remind SNP members Sandra White, Alex Neil, Christine Grahame, Adam Ingram and Campbell Martin that they signed that motion and should therefore support the Conservative motion today. I stress that the Conservative group did everything possible to achieve consensus on the issue. When our motion was drafted, it was sent to all parties with a memo to the effect that we would welcome constructive suggestions. The silence was truly deafening, indicating that party groups are much more interested in supporting an insular and parochial agenda than they are in recognising that there is a major issue to be faced.

The First Minister, quite properly, set up the inquiry against a background of increasing public concern. That concern has now become anger. If other members are not prepared to give Lord Fraser and Parliament the necessary support, all that they will do is prejudice the credibility of the inquiry. The Scottish Conservative and Unionist Party group is certainly not prepared to do that.

Business Motion

17:02

The Presiding Officer (Mr George Reid): The next item of business is consideration of business motion S2M-1126, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, setting out a business programme. I ask any member who wishes to speak against the motion to press their request-to-speak button. I call Patricia Ferguson to move the motion.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 21 April 2004

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by European and External Relations Committee Debate on Enlargement of the European Union

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 22 April 2004

9.30 am Executive Debate

12 noon First Minister's Question Time

2.00 pm Question Time -
Education and Young People, Tourism,
Culture and Sport;
Finance and Public Services and
Communities;
General Questions

3.00 pm Executive Debate on Developing
Scotland's Renewable Energy

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 28 April 2004

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Stage 3 of the Criminal Procedure
(Amendment) (Scotland) Bill

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 29 April 2004

9.30 am Scottish National Party Business

12 noon

First Minister' Question Time

2.00 pm

Question Time –

Environment and Rural Development;

Health and Community Care;

General Questions

3.00 pm

Executive Business

followed by

Parliamentary Bureau Motions

5.00 pm

Decision Time

followed by
Ferguson.]

Members'

Business—[Patricia

17:03

Richard Lochhead (North East Scotland) (SNP): I oppose the business motion because it makes no provision for the Executive to make a statement on the continuing negotiations with the European Commission on changes to December's fishing deal. The Parliament rises for the Easter recess tomorrow, and we have been promised time and again by ministers that those changes were about to be announced.

The First Minister wrote to me on 29 January, stating that he remained

"confident that these discussions with the Commission can be concluded successfully and, importantly, without undue delay in order that Scottish fishermen can effectively plan ahead."

Two months on, we are no further forward. The Deputy Minister for Environment and Rural Development told the Environment and Rural Development Committee on 3 March that he expected

"proposals ... to be produced shortly."—[*Official Report, Environment and Rural Development Committee*, 3 March 2004; c 827.]

That was almost a month ago, and we have heard nothing since. Only last week, Allan Wilson met fishing industry representatives in Edinburgh and told them that he expected to make the announcement on the changes by the end of last week or, at the latest, by the beginning of this week. However, we have not heard a single thing from the ministers.

The SNP welcomes the fact that the Government has moved from saying that we should be congratulating ministers on the deal that they signed in December to admitting that the deal has to be renegotiated to give our fishing communities a future. The restrictions on where the fleet can catch its quotas have affected the white-fish fleet in particular. If the fleet wants to fish for cod, it has to dump haddock stocks, which are at a record level in the North sea and for which we have quota. If it wants to catch its haddock quota, it has to dump cod stocks—which the regime that was foisted on Scotland in December

was supposed to protect. The white-fish fleet still has only 15 days a month at sea, which is not viable. That number has to be increased in the negotiations; however, the minister says that he is not going to make a decision on giving aid to the fleet until he has announced the changes. Time is dragging on.

We have to scrap the draconian permit system that remains in place. I remind Parliament that the issue does not affect only the white-fish fleet; it also affects the prawn fleet from Fife and other parts of Scotland, the onshore sector and the fish processors, and the scores of harbour businesses in all the ports around Scotland.

As we speak, the white-fish fleet is fishing in the North sea. If the changes are not announced during the next 48 hours, those boats will face two choices: they will either have to dump at sea fish from stocks that are at record levels in some cases and for which we are supposed to have a quota; or they will have to bring the fish back and land them illegally. Surely the minister does not want that. The fact that the delay has been so long appears to show that the minister is not fighting hard enough to save the white-fish fleet in Scotland.

There are thousands of jobs at stake—the white-fish fleet is currently hanging by a thread. The fishermen are desperate for announcements to be made and I understand that, if the announcements are made, the Executive might have to go formally to the April fisheries council, which is another month away. It is therefore imperative that, before close of play tomorrow and before Parliament rises for Easter recess, the Executive find an opportunity to explain to Parliament what will happen in the meantime, before the formal proposals go to Brussels in April. The Executive must explain what changes it expects will be made and what it is doing to ensure that the changes will save the future of our fishing communities and the fishing fleet.

I urge Parliament, all political parties and ministers to support amending the business motion so that we can discuss this vital matter tomorrow before it is too late and Parliament goes into recess.

17:05

The Minister for Parliamentary Business (Patricia Ferguson): The issue has been discussed in the Parliamentary Bureau for the past two weeks. On each occasion, I have provided all the information that I could to the parties assembled there. I am sorry that that information appears not to have been relayed to Mr Lochhead.

The Presiding Officer: The question is, that motion S2M-1126, in the name of Patricia Ferguson, 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)
 Baker, Richard (North East Scotland) (Lab)
 Ballance, Chris (South of Scotland) (Green)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Byrne, Ms Rosemary (South of Scotland) (SSP)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fox, Colin (Lothians) (SSP)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Kane, Rosie (Glasgow) (SSP)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Leckie, Carolyn (Central Scotland) (SSP)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (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)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)

Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Canavan, Dennis (Falkirk West) (Ind)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Davidson, Mr David (North East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Rob (Highlands and Islands) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Lochhead, Richard (North East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Martin, Campbell (West of Scotland) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McFee, Mr Bruce (West of Scotland) (SNP)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Neil, Alex (Central Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinburne, John (Central Scotland) (SSCUP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Murray (West of Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

ABSTENTIONS

Baird, Shiona (North East Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Harper, Robin (Lothians) (Green)
 MacDonald, Margo (Lothians) (Ind)
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)
 Scott, Eleanor (Highlands and Islands) (Green)
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)

The Presiding Officer: The result of the division is: For 67, Against 43, Abstentions 7.

Motion agreed to.

Parliamentary Bureau Motions

17:06

The Presiding Officer (Mr George Reid): The next item of business is consideration of five Parliamentary Bureau motions. Motions S2M-1129, S2M-1121, S2M-1122 and S2M-1123 are all on the designation of lead committees.

Motions moved,

That the Parliament agrees that the Justice 2 Committee be designated as lead committee in consideration of the Criminal Legal Aid (Fixed Payments) (Scotland) Amendment (No.2) Regulations 2004 (SSI 2004/126).

That the Parliament agrees that the Justice 2 Committee be designated as lead committee in consideration of the Police (Scotland) Amendment Regulations 2004 (SSI 2004/121).

That the Parliament agrees that the Justice 2 Committee be designated as lead committee in consideration of the Police Grant (Scotland) Order 2004 (SSI 2004/120).

That the Parliament agrees that the Justice 1 Committee be designated as lead committee in consideration of the Emergency Workers (Scotland) Bill at Stage 1.—[*Patricia Ferguson.*]

The Presiding Officer: Motion S2M-1124 is on the approval of a SSI.

Motion moved,

That the Parliament agrees that the draft Debt Arrangement Scheme (Scotland) Regulations 2004 be approved.—[*Patricia Ferguson.*]

The Presiding Officer: The questions on the motions will be put at decision time.

Decision Time

17:08

The Presiding Officer (Mr George Reid):

There are 11 questions to be put as a result of today's business. The first question is, that amendment S2M-1116.2, in the name of Jim Wallace, which seeks to amend motion S2M-1116, in the name of Murdo Fraser, on the effect of strip stamps on the whisky industry be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baird, Shiona (North East Scotland) (Green)
 Baker, Richard (North East Scotland) (Lab)
 Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Canavan, Dennis (Falkirk West) (Ind)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Rob (Highlands and Islands) (SNP)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marilyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Johnstone, Alex (North East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lochhead, Richard (North East Scotland) (SNP)
 Lyon, George (Argyll and Bute) (LD)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Macdonald, Lewis (Aberdeen Central) (Lab)

Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Campbell (West of Scotland) (SNP)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McFee, Mr Bruce (West of Scotland) (SNP)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McLetchie, David (Edinburgh Pentlands) (Con)
 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)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 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)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robison, Shona (Dundee East) (SNP)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, Eleanor (Highlands and Islands) (Green)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinburne, John (Central Scotland) (SSCUP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Murray (West of Scotland) (Con)
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)
 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)

AGAINST

Byrne, Ms Rosemary (South of Scotland) (SSP)
 Fox, Colin (Lothians) (SSP)
 Kane, Rosie (Glasgow) (SSP)
 Leckie, Carolyn (Central Scotland) (SSP)

ABSTENTIONS

MacDonald, Margo (Lothians) (Ind)

The Presiding Officer: The result of the division is: For 112, Against 4, Abstentions 1.

Amendment agreed to.

The Presiding Officer: The second question is, that amendment S2M-1116.1, in the name of Jim Mather, which seeks to amend S2M-1116, in the name of Murdo Fraser, on the effect of strip stamps on the whisky industry, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (SNP)
 Baird, Shiona (North East Scotland) (Green)
 Canavan, Dennis (Falkirk West) (Ind)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Martin, Campbell (West of Scotland) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McFee, Mr Bruce (West of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Scott, Eleanor (Highlands and Islands) (Green)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North East Scotland) (Con)
 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 (Galloway and Upper Nithsdale) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Henry, Hugh (Paisley South) (Lab)

Home Robertson, Mr John (East Lothian) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Johnstone, Alex (North East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McGregor, Mr Jamie (Highlands and Islands) (Con)
 McLetchie, David (Edinburgh Pentlands) (Con)
 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)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 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)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tosh, Murray (West of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

ABSTENTIONS

Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Byrne, Ms Rosemary (South of Scotland) (SSP)
 Fox, Colin (Lothians) (SSP)
 Harper, Robin (Lothians) (Green)
 Kane, Rosie (Glasgow) (SSP)
 Leckie, Carolyn (Central Scotland) (SSP)
 MacDonald, Margo (Lothians) (Ind)
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)
 Swinburne, John (Central Scotland) (SSCUP)
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)

The Presiding Officer: The result of the division is: For 26, Against 80, Abstentions 11.

Amendment disagreed to.

The Presiding Officer: The third question is, that motion S2M-1116, in the name of Murdo Fraser, on the effect of strip stamps on the whisky industry, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baird, Shiona (North East Scotland) (Green)
 Baker, Richard (North East Scotland) (Lab)
 Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Canavan, Dennis (Falkirk West) (Ind)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Ewing, Mrs Margaret (Moray) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Rob (Highlands and Islands) (SNP)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marilyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Johnstone, Alex (North East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lochhead, Richard (North East Scotland) (SNP)
 Lyon, George (Argyll and Bute) (LD)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 MacDonald, Margo (Lothians) (Ind)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Campbell (West of Scotland) (SNP)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Jim (Highlands and Islands) (SNP)

Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McFee, Mr Bruce (West of Scotland) (SNP)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McLetchie, David (Edinburgh Pentlands) (Con)
 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)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 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)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robison, Shona (Dundee East) (SNP)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, Eleanor (Highlands and Islands) (Green)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinburne, John (Central Scotland) (SSCUP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Murray (West of Scotland) (Con)
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)
 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)

AGAINST

Byrne, Ms Rosemary (South of Scotland) (SSP)
 Fox, Colin (Lothians) (SSP)
 Kane, Rosie (Glasgow) (SSP)
 Leckie, Carolyn (Central Scotland) (SSP)

The Presiding Officer: The result of the division is: For 111, Against 4, Abstentions 0.

Motion, as amended, agreed to.

Resolved,

That the Parliament welcomes the Scottish Executive's commitment to the Scotch Whisky industry as set out in *A Toast to the Future – working together for Scotch whisky*, particularly the Executive's commitment to a fair tax regime for the industry; notes with disappointment the

announcement by Her Majesty's Government in the 2004 Budget of the introduction of tax stamps on whisky and other spirits; recognises that the compliance costs associated with the measure will introduce a heavy burden on the Scotch whisky industry, and therefore calls on HM Treasury to engage in further discussion with the industry on the impact of these measures with a view to reaching a satisfactory outcome which deals with tax fraud and would lead to the decision being reversed, failing which to ensure that a comprehensive package of compensation measures is put in place to minimise the impact on the industry."

The Presiding Officer: The fourth question is, that amendment S2M-1117.2, in the name of Fergus Ewing, which seeks to amend motion S2M-1117, in the name of David McLetchie, on the failure of the BBC to hand over tapes to the Fraser inquiry, be agreed to. If the amendment is agreed to, amendment S2M-1117.2, in the name of Bob Brown, will fall. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (SNP)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Martin, Campbell (West of Scotland) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McFee, Mr Bruce (West of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinburne, John (Central Scotland) (SSCUP)
 Swinney, Mr John (North Tayside) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Byrne, Ms Rosemary (South of Scotland) (SSP)
 Canavan, Dennis (Falkirk West) (Ind)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)

Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fox, Colin (Lothians) (SSP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Johnstone, Alex (North East Scotland) (Con)
 Kane, Rosie (Glasgow) (SSP)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Leckie, Carolyn (Central Scotland) (SSP)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 MacDonald, Margo (Lothians) (Ind)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McLetchie, David (Edinburgh Pentlands) (Con)
 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)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 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)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tosh, Murray (West of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

ABSTENTIONS

Baird, Shiona (North East Scotland) (Green)

Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Harper, Robin (Lothians) (Green)
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)
 Scott, Eleanor (Highlands and Islands) (Green)
 Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)

The Presiding Officer: The result of the division is: For 24, Against 86, Abstentions 7.

Amendment disagreed to.

The Presiding Officer: The fifth question is, that amendment S2M-1117.4, in the name of Robert Brown, which seeks to amend motion S2M-1117, in the name of David McLetchie, on the failure of the BBC to hand over tapes to the Fraser inquiry, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen North) (SNP)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baird, Shiona (North East Scotland) (Green)
 Baker, Richard (North East Scotland) (Lab)
 Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Gibson, Rob (Highlands and Islands) (SNP)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marilyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lochhead, Richard (North East Scotland) (SNP)
 Lyon, George (Argyll and Bute) (LD)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Campbell (West of Scotland) (SNP)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)

Mather, Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McFee, Mr Bruce (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)
 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)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robison, Shona (Dundee East) (SNP)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Ruskell, Mr Mark (Mid Scotland and Fife) (Green)
 Scott, Eleanor (Highlands and Islands) (Green)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (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)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Byrne, Ms Rosemary (South of Scotland) (SSP)
 Canavan, Dennis (Falkirk West) (Ind)
 Davidson, Mr David (North East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fox, Colin (Lothians) (SSP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Kane, Rosie (Glasgow) (SSP)
 Leckie, Carolyn (Central Scotland) (SSP)
 MacDonald, Margo (Lothians) (Ind)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Swinburne, John (Central Scotland) (SSCUP)

Tosh, Murray (West of Scotland) (Con)
Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)

The Presiding Officer: The result of the division is: For 91, Against 26, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The sixth question is, that motion S2M-1117, in the name of David McLetchie, on the failure of the BBC to hand over tapes to the Fraser inquiry, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (SNP)
Alexander, Ms Wendy (Paisley North) (Lab)
Baillie, Jackie (Dumbarton) (Lab)
Baird, Shiona (North East Scotland) (Green)
Baker, Richard (North East Scotland) (Lab)
Ballance, Chris (South of Scotland) (Green)
Ballard, Mark (Lothians) (Green)
Barrie, Scott (Dunfermline West) (Lab)
Boyack, Sarah (Edinburgh Central) (Lab)
Brankin, Rhona (Midlothian) (Lab)
Brown, Robert (Glasgow) (LD)
Butler, Bill (Glasgow Anniesland) (Lab)
Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
Crawford, Bruce (Mid Scotland and Fife) (SNP)
Curran, Ms Margaret (Glasgow Baillieston) (Lab)
Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
Eadie, Helen (Dunfermline East) (Lab)
Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
Ewing, Mrs Margaret (Moray) (SNP)
Ferguson, Patricia (Glasgow Maryhill) (Lab)
Gibson, Rob (Highlands and Islands) (SNP)
Gillon, Karen (Clydesdale) (Lab)
Glen, Marilyn (North East Scotland) (Lab)
Godman, Trish (West Renfrewshire) (Lab)
Gorrie, Donald (Central Scotland) (LD)
Grahame, Christine (South of Scotland) (SNP)
Harper, Robin (Lothians) (Green)
Henry, Hugh (Paisley South) (Lab)
Home Robertson, Mr John (East Lothian) (Lab)
Hyslop, Fiona (Lothians) (SNP)
Ingram, Mr Adam (South of Scotland) (SNP)
Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
Kerr, Mr Andy (East Kilbride) (Lab)
Lamont, Johann (Glasgow Pollok) (Lab)
Livingstone, Marilyn (Kirkcaldy) (Lab)
Lochhead, Richard (North East Scotland) (SNP)
Lyon, George (Argyll and Bute) (LD)
MacAskill, Mr Kenny (Lothians) (SNP)
Macdonald, Lewis (Aberdeen Central) (Lab)
Macintosh, Mr Kenneth (Eastwood) (Lab)
Maclean, Kate (Dundee West) (Lab)
Macmillan, Maureen (Highlands and Islands) (Lab)
Martin, Campbell (West of Scotland) (SNP)
Martin, Paul (Glasgow Springburn) (Lab)
Marwick, Tricia (Mid Scotland and Fife) (SNP)
Mather, Jim (Highlands and Islands) (SNP)
Matheson, Michael (Central Scotland) (SNP)
Maxwell, Mr Stewart (West of Scotland) (SNP)
McAveety, Mr Frank (Glasgow Shettleston) (Lab)
McCabe, Mr Tom (Hamilton South) (Lab)

McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
McFee, Mr Bruce (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)
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)
Peacock, Peter (Highlands and Islands) (Lab)
Peattie, Cathy (Falkirk East) (Lab)
Pringle, Mike (Edinburgh South) (LD)
Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
Radcliffe, Nora (Gordon) (LD)
Raffan, Mr Keith (Mid Scotland and Fife) (LD)
Robison, Shona (Dundee East) (SNP)
Robson, Euan (Roxburgh and Berwickshire) (LD)
Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
Ruskell, Mr Mark (Mid Scotland and Fife) (Green)
Scott, Eleanor (Highlands and Islands) (Green)
Scott, Tavish (Shetland) (LD)
Smith, Elaine (Coatbridge and Chryston) (Lab)
Smith, Iain (North East Fife) (LD)
Smith, Margaret (Edinburgh West) (LD)
Stephen, Nicol (Aberdeen South) (LD)
Stevenson, Stewart (Banff and Buchan) (SNP)
Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
Sturgeon, Nicola (Glasgow) (SNP)
Swinburne, John (Central Scotland) (SSCUP)
Swinney, Mr John (North Tayside) (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)

AGAINST

Aitken, Bill (Glasgow) (Con)
Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
Byrne, Ms Rosemary (South of Scotland) (SSP)
Canavan, Dennis (Falkirk West) (Ind)
Davidson, Mr David (North East Scotland) (Con)
Douglas-Hamilton, Lord James (Lothians) (Con)
Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
Fox, Colin (Lothians) (SSP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Gallie, Phil (South of Scotland) (Con)
Goldie, Miss Annabel (West of Scotland) (Con)
Johnstone, Alex (North East Scotland) (Con)
Kane, Rosie (Glasgow) (SSP)
Leckie, Carolyn (Central Scotland) (SSP)
MacDonald, Margo (Lothians) (Ind)
McGrigor, Mr Jamie (Highlands and Islands) (Con)
McLetchie, David (Edinburgh Pentlands) (Con)
Milne, Mrs Nanette (North East Scotland) (Con)
Mitchell, Margaret (Central Scotland) (Con)
Monteith, Mr Brian (Mid Scotland and Fife) (Con)
Mundell, David (South of Scotland) (Con)
Scanlon, Mary (Highlands and Islands) (Con)
Scott, John (Ayr) (Con)
Tosh, Murray (West of Scotland) (Con)
Turner, Dr Jean (Strathkelvin and Bearsden) (Ind)

The Presiding Officer: The result of the division is: For 92, Against 25, Abstentions 0.

Motion, as amended, agreed to.

Resolved,

That the Parliament notes the current Holyrood Inquiry being conducted by The Rt Hon The Lord Fraser of Carmyllie QC as instigated by the First Minister and the Presiding Officer; encourages all those with an interest in the Inquiry to provide Lord Fraser with all required documentation and material and strongly encourages both the Inquiry and the BBC to arrive at a mutually acceptable resolution to the ongoing issue surrounding the availability of information from tapes of the Wark Clements Productions' programme entitled "The Gathering Place"; supports the independence of the BBC against political interference as a fundamental bulwark of our civil liberties, and believes that the Parliament would undermine the independence of the BBC by seeking to compel it to take any particular course of action but would nevertheless welcome a decision by the BBC to allow Lord Fraser appropriate access to the tapes.

The Presiding Officer: The seventh question is, that motion S2M-1129, in the name of Patricia Ferguson, on the designation of a lead committee, be agreed to.

Motion agreed to.

That the Parliament agrees that the Justice 2 Committee be designated as lead committee in consideration of the Criminal Legal Aid (Fixed Payments) (Scotland) Amendment (No.2) Regulations 2004 (SSI 2004/126).

The Presiding Officer: The eighth question is, that motion S2M-1121, in the name of Patricia Ferguson, on the designation of a lead committee, be agreed to.

Motion agreed to.

That the Parliament agrees that the Justice 2 Committee be designated as lead committee in consideration of the Police (Scotland) Amendment Regulations 2004 (SSI 2004/121).

The Presiding Officer: The ninth question is, that motion S2M-1122, in the name of Patricia Ferguson, on the designation of a lead committee, be agreed to.

Motion agreed to.

That the Parliament agrees that the Justice 2 Committee be designated as lead committee in consideration of the Police Grant (Scotland) Order 2004 (SSI 2004/120).

The Presiding Officer: The 10th question is, that motion S2M-1123, in the name of Patricia Ferguson, on the designation of a lead committee, be agreed to.

Motion agreed to.

That the Parliament agrees that the Justice 1 Committee be designated as lead committee in consideration of the Emergency Workers (Scotland) Bill at Stage 1.

The Presiding Officer: The 11th and final question is, that motion S2M-1124, in the name of Patricia Ferguson, on approval of a Scottish statutory instrument, be agreed to

Motion agreed to.

That the Parliament agrees that the draft Debt Arrangement Scheme (Scotland) Regulations 2004 be approved.

Standard Life

The Presiding Officer (Mr George Reid): As members will know, the next item of business is a statement by Jim Wallace on Standard Life. The minister will take questions at the end of his statement, so there should be no interventions.

17:17

The Deputy First Minister and Minister for Enterprise and Lifelong Learning (Mr Jim Wallace): Before making a statement, I am advised that I should make a declaration of interest as I am a policyholder with Standard Life.

Given the scale of the job losses that have been announced today by Standard Life, and the importance of Standard Life as a major Scottish company, I thought that it was appropriate that I should come to the Parliament with some urgency to make a statement and to allow parliamentary colleagues an opportunity to ask questions and to comment. I should add that I apologise that because of that urgency, it was not possible to give the usual hour's notice of the statement to Opposition spokespersons.

Today's announcement by Standard Life is by any measure a significant blow to the financial sector in Scotland. As one of our leading employers in the sector, and indeed in Edinburgh, the company is of great importance to the local economy and our national economy. The loss of 1,000 jobs from its UK labour force, the bulk of which will come from Edinburgh, where there are currently 8,000 employees, is clearly a matter of extreme disappointment.

There will be many families in and around Edinburgh who will be extremely worried by today's announcement. We recognise that it is a very difficult time for them, so our immediate concern in the short term must be for those who are most directly affected. We must assist those who now face the prospect of losing their employment. I understand that the company operates its own support mechanisms for employees who are being made redundant. However, the Lothian local response team, which is part of the Executive's partnership action for continuing employment—PACE—stands ready to offer advice, support and guidance to those who are affected.

I inform the Parliament that the First Minister and I have today spoken to the company's chief executive, Sandy Crombie, to express our concerns, and I shall be meeting Mr Crombie later this week to explore in more detail the background to the company's decisions, and to ascertain what further actions the Executive might take in response to them.

Beyond the immediate concern of today's job losses is the announcement that Standard Life's board is to assess the option of demutualisation as a means of securing access to the additional capital that the board sees as necessary for developing the business. As one of the last and major remaining mutuals in the sector, the company has been subject to speculation about its mutual status on several occasions over the past decade. However, any decisions on demutualisation will be for its policyholders, many of whom are in Scotland.

Standard Life has had a long history of making an important contribution to the Scottish economy, and I look forward to seeing it continue to make such a contribution to the financial services sector and to our economy, as a company headquartered in Scotland. Of course, the company serves markets in the UK and beyond and, with other companies such as the Royal Bank of Scotland and HBOS, has proven that that can be done effectively and with considerable success from a Scottish base. It has been very successful in many of its target markets, has an extremely strong brand, and is regarded as a very serious player in its sector. Its portfolio of businesses such as Standard Life Investments, Standard Life Bank and Standard Life Healthcare includes real successes in tough markets.

It is important to emphasise that this is not the death knell for the financial services sector in Scotland. However, we are certainly not complacent about the sector's future and have established the financial services strategy group, which I chair and which brings together the senior players in the sector in Scotland. The group is working to define a strategic vision for the sector, with a view to identifying the specific actions that the Executive can take to strengthen and reinforce the sector's future success. The sector has been one of our economic success stories over the decade, and employs more than 100,000 people in Edinburgh and beyond. We are committed to retaining and building on that success.

Mr John Swinney (North Tayside) (SNP): I thank the Deputy First Minister for his statement and express the Scottish National Party's deep concern at the loss of more than 1,000 jobs at Standard Life.

I welcome the Deputy First Minister's recognition that the job losses are both a tragedy for the individuals and families concerned and a grave warning to the wider Scottish economy that the financial services sector and, in particular, the life assurance industry face many tough challenges. Is he aware that two thirds of life assurance companies in Scotland have predicted that they will have to make job losses in the next 12 months? Moreover, is he aware that other

countries are increasing employment in the sector by aggressively using tax and other economic powers to target jobs and new investment?

Given those countries' powers and incentives, does the Deputy First Minister accept that Scotland is operating at a competitive disadvantage as it tries to expand its financial services sector? If not, will he tell Parliament the specific measures that the Scottish Executive has taken as a result of the financial services strategy group's recommendations to boost the competitiveness of a sector that is fundamental to the health of the Scottish economy?

Mr Wallace: I recognise John Swinney's expression of concern on behalf of his party for those who have experienced, are experiencing and will experience job losses. I made it clear in my statement that we are by no means complacent and that we recognise that the life assurance sector, in particular, has been experiencing considerable difficulties and might continue to do so. The situation is indicative of a complex area that has experienced some particular pressures. Given Scotland's record of promoting such companies over many years, it is inevitable that many of the consequences of pressures on the industry will be felt disproportionately in this country.

That is one of the reasons why we have established the financial services strategy group. Mr Swinney asked me to outline which of the group's recommendations we would develop. However, he will recall that the group was established only last autumn; it is due to meet again in May and in the meantime has set up a number of working groups that have been carrying out work.

I should remind Mr Swinney that we have also produced a financial services action plan, which sets out the priorities for Scottish Enterprise work with firms in the sector. It is intended to address issues such as skills and labour supplies; the provision of strategic locations for companies; improvements in the e-business aspects of the work of such companies; support for the work of the Executive and others in addressing concerns about infrastructure; and the general promotion of co-ordination and clarity. Those measures were endorsed by the financial services strategy group at its first meeting and are now being developed.

As I indicated, we want the strategy group to report by the end of the year. We are committed to working with the industry both through the group and more generally to identify the specific areas where we can assist it.

Murdo Fraser (Mid Scotland and Fife) (Con): I welcome the Deputy First Minister's statement and appreciate advance sight of it. I should also

declare a family interest: I am not a Standard Life policyholder, but my wife is.

The Deputy First Minister was correct to pay tribute to the strength of Standard Life as a company and I hope that that situation will continue. I also echo the concerns that have been expressed about the jobs lost in the Edinburgh economy.

The finance sector is the jewel in the Scottish economy. Manufacturing has been in recession for a number of years, with thousands of job losses, and the growth in the finance sector has taken up much of the slack. We are now starting to see a contraction in that sector and, although it is important that we do not exaggerate the problem, that is rightly of concern to everyone who has an interest in the Scottish economy.

I have two specific questions to put to the Deputy First Minister. First, does he agree that the way in which Standard Life is structured is entirely a matter for Standard Life, its members and its directors? Does he agree that it is not for politicians to interfere or seek to dictate whether Standard Life should be a mutual company?

Secondly, does the Deputy First Minister agree that what we are seeing in the financial sector is, to a large extent, a consequence of the policies of the Chancellor of the Exchequer, with his £5 billion per year raid on pension funds and his massive expansion of the means test? Those measures have seen the savings ratio—the amount of money that is being saved in the economy—at an all-time low, and they have a knock-on effect on the financial services sector.

The Parliament voted to send a clear message to the Treasury in defence of another vital industry—the whisky industry—but does the Deputy First Minister agree that the Scottish Executive should make the strongest representation to the chancellor, who needs to examine his policies and the damage that they are doing to Scottish financial services?

Mr Wallace: To pick up on Murdo Fraser's comments on the financial sector, it is important to recognise that the annual report on recruitment trends in Scotland's financial markets, which was published as recently as January, found that 86 per cent of Glasgow respondents and 68 per cent of Edinburgh respondents indicated that they will increase their permanent head count this year. Without diminishing the impact and seriousness of today's announcement, I want to put it in context.

I certainly endorse what Murdo Fraser said; although there is scope for the mutual sector and the co-operative sector in an economy such as ours, it must be for a specific company and its board, policyholders and members to determine its structure. It is not helpful for politicians, and

certainly not for ministers, to venture opinions on what must be a matter for the company.

It is perhaps an over-simplification to load the blame for all this on to the Chancellor of the Exchequer. It is clear that there has been a significant decline in with-profits business, which has been one of the key sources of capital for the company. At the same time, the company has a requirement to sustain with-profits business as the capital requirements for that have increased. The board has had to take those factors into account; one of its explanations is that it has had to make a 20 per cent cut in costs in that part of its business—that is a significant cut—to be able to go forward with confidence. That is painful but, given the circumstances of that particular market, it is almost inevitable.

Sarah Boyack (Edinburgh Central) (Lab): I declare an interest as the constituency MSP for Standard Life. Also, like many people in the chamber and outside it, I am a policyholder in the company.

I am bitterly disappointed to hear that 900 jobs have gone today and I am extremely concerned for Standard Life staff. I welcome the concern that the Deputy First Minister has expressed. I remind him that today's bad news means that nearly 2,000 jobs have been lost in Edinburgh's financial sector during the past three months.

Will the Deputy First Minister convey the Parliament's dismay to Standard Life's management and tell it that many of us believe that this is a strange way to reward the staff and policyholders who have supported the company's mutual status? There is justified resentment. Will he tell me what he intends to do to stem the flow of job losses from the capital and to stabilise and support the financial sector, which is crucial both to Edinburgh and to Scotland?

Mr Wallace: I certainly do not believe for a moment that today's job losses are a reflection of the quality of the staff who have worked for Standard Life—I welcome the opportunity to say that.

I inform Sarah Boyack and the Parliament that Standard Life has indicated that the reduction in staff will be achieved through a combination of natural attrition, the phasing-out of some temporary contracts and redundancies, and that the company will support those who are affected by the announcement. The staff association has indicated that it has been developing a partnership agreement with the company and will work closely with the management team to ensure that the changes that need to be made are made in full consultation with employees.

I also indicate to Sarah Boyack, because she has raised this with me in the past and it is an

important point, that work has been done by the City of Edinburgh Council, through the financial services group that it has set up and the report that it has commissioned specifically on the offshoring of financial services activity—that is not what we are discussing here, but that work is nevertheless relevant in the context of attempts to secure jobs in the financial services sector in Edinburgh. Part of the council's approach, which we certainly endorse and want to support through our enterprise network, is the recognition of the strengths that Edinburgh—and indeed, Scotland—has as a location for financial services. We have a good reputation in financial services and in particular we have people who have the skills and ability to engage with and be employed in the industry. I assure Sarah Boyack that we will continue to try to put those messages across and when I meet Mr Crombie on Friday I will certainly convey to him the concerns that she asked me to express to the management.

The Presiding Officer: I will now take shorter questions and answers, to allow everyone in.

Mike Pringle (Edinburgh South) (LD): I am sure that the Deputy First Minister agrees that Edinburgh's economy is vital to Scotland's economy. Can he give Edinburgh any assurances today about how the Scottish Executive will help to promote Edinburgh's economy?

Mr Wallace: There are a number of ways in which the Scottish Executive can help to promote and support Edinburgh's economy. In my answer to Sarah Boyack, I mentioned the importance of the investment that we make in skills and training, in particular in places of higher and further education in Edinburgh, which have an undoubted and deserved reputation. That is one way in which we can help.

Mr Pringle will also be aware of a number of transport infrastructure projects, which I believe can be of considerable benefit to Edinburgh. We recognise the importance of transport in a developing economy. Of course, Edinburgh will also receive its share of the cities fund, to try to promote a vision for the city.

A number of the Executive's policies have practical expression in Edinburgh, but in the light of decisions such as that of Standard Life, we will always look again at the specifics—in this case with regard to the financial services sector. That is why we are engaging with the industry to ascertain whether there might be other means of support that we can give.

Mark Ballard (Lothians) (Green): I am pleased that the Deputy First Minister has reacted so promptly to today's announcement and I share his and other members' concerns about the possible job losses in Edinburgh.

The demutualization of Standard Life would be a major event that would have serious consequences for the Scottish economy. I am a strong advocate of the benefits of mutuality, which allows companies to be managed by people who care—their members—rather than being left to the vagaries of the stock market. We should do everything that we can to maintain diversity of ownership in the financial services sector. Does the Deputy First Minister agree that we should secure that diversity of ownership? Does he also agree that mutual companies are an asset to the sector? What actions will he undertake to ensure that there is a future for mutual financial institutions?

Mr Wallace: As I said in my response to Murdo Fraser, I believe that there is a place for mutuality in a mixed economy such as ours. However, it would not be right or proper for ministers to expound a view on whether that would be right for Standard Life; that must be a matter for the company's members.

Colin Fox (Lothians) (SSP): Today's announcement, as the Deputy First Minister knows, is not the first "significant blow"—as he euphemistically called it—for the Scottish financial sector this year. Is it not true that insecurity is now rife in the industry? Is it not also true that 1,000 employees at Standard Life are paying an enormous price for the failure of the company's management, which invested enormous amounts of equity in the stock market? The Deputy First Minister said that many families in and around Edinburgh would be very worried by the announcement, but is not the word that he is looking for "furious"? A thousand people and their families will be furious; they are paying an enormous price for the failures of management.

Does the minister not accept that the demutualisation of Standard Life makes the company even more vulnerable to a predatory takeover? Is it not true that the Executive's financial services strategy group is presiding over a job slaughter in the industry? Will he assure the chamber that protection will be offered to employees in the financial sector—protection akin to what we see in Europe, where the rapacious financial profiteering that goes on does not take away people's jobs as a consequence?

Mr Wallace: It is important to recognise that—even after today's news, serious though it is—there will still be some 7,000 employees of Standard Life in Edinburgh. I do not think that it necessarily helps the company or its employees to go into the mode of bashing the company, which has undoubtedly had difficult decisions to take. We must try to support the employees who will lose their jobs. I say to Colin Fox that, although there is uncertainty at the moment, it is self-evident that

any prospect of nationalisation of the financial services sector would send absolute shudders down the spine of all those affected.

Jim Mather (Highlands and Islands) (SNP): I declare an interest as a Standard Life policyholder and as a former supplier to the company.

The minister has referred to his chairmanship of the financial services strategy group. What specific strategic objectives has the group set? Will the group undertake a review of the Irish International Financial Services Centre, which has grown from virtually nothing in the past 10 years?

Mr Wallace: The objective of the financial services strategy group is to ensure a commonality of vision and approach in the industry, which has, as I said, shown remarkable growth in Scotland over the past decade. We must ensure that we continue to build on that. Issues that are of concern to the industry should be identified and recognised by the Executive. Wherever possible, we should take appropriate action to ensure that the industry continues to be strong in Scotland and can be supported in future. I am certainly more than willing to draw to the attention of the group—which has a number of sub-groups as well—any international experience that may be relevant. In spite of the setbacks of today and of recent weeks, we have an industry in Scotland that has shown remarkable growth. The strategy group's objective is to ensure that that growth can be consolidated and built on.

Lord James Douglas-Hamilton (Lothians) (Con): Is the Deputy First Minister aware of indications from Standard Life that 1,000 jobs will be lost before the end of the year? Does he agree that a low-taxation economy would at least safeguard and help to retain such jobs in Scotland?

Mr Wallace: I think that I made it clear that I was aware that 1,000 jobs would be lost. I am not quite sure what Lord James Douglas-Hamilton is proposing, but it is clear that the rate of corporation tax in Scotland—and, indeed, throughout the United Kingdom—is below the European average, so it is not as though Scotland is at some sort of competitive disadvantage compared with other parts of the UK in that respect.

Susan Deacon (Edinburgh East and Musselburgh) (Lab): Does the minister agree that today's announcement is a salutary reminder to us all that we cannot take for granted the continued growth of the Edinburgh economy? Will he give a commitment that, right across the Executive, ministers and officials will work closely with the City of Edinburgh Council to develop policies to ensure the continued success of the economy? To the issues that he has already identified in answer

to colleagues, will he add that of affordable housing, the lack of which poses a serious threat to the local economy, has a serious effect on local employers and is a real concern to local people?

Mr Wallace: I readily give Susan Deacon the assurance that she seeks. It is important to recognise that, although Edinburgh has enjoyed a period of considerable growth, we cannot take the continuation of that growth for granted. As I said in answer to earlier questions, many Executive policies are relevant to these issues. Margaret Curran is in the chamber and she will have heard what Susan Deacon said about housing. Others in Edinburgh—including people in the business community—have raised that issue with me. We will ensure that it is properly addressed.

Margaret Smith (Edinburgh West) (LD): I declare an interest as a Standard Life policyholder.

I associate myself with comments made by colleagues, particularly by Edinburgh colleagues, on the need to ensure that the Scottish Executive and the Parliament do not take for granted Edinburgh's growth and its success story to date. The announcement is obviously a terrible blow for Edinburgh and for the staff concerned, many of whom are my constituents. Will the minister do all that he can to work with Standard Life to minimise the number of compulsory redundancies? At this stage, can he outline the sorts of support mechanisms that the company will be making available to staff?

Mr Wallace: A letter that was sent to the First Minister and me earlier today quotes the chairman of the Standard Life staff association, Link, as saying that the company was

committed to minimising the impact of these changes on staff and will be looking at opportunities to achieve the staff reductions through redeployment and natural wastage.

In a telephone conversation with me, Sandy Crombie indicated that the company would make considerable efforts to redeploy staff within the Standard Life group of companies, to secure transfers and, where staff were leaving, to provide the appropriate support to enable them to move on.

Fiona Hyslop (Lothians) (SNP): I should declare that I am a former employee of Standard Life and that I, too, hold policies.

I share the concern that the minister has expressed for the 1,000 people who will lose their jobs as a result of today's announcement and for their families. Will he encourage the company to resist the need for compulsory redundancies?

The financial services strategy group is defining a strategic vision and is considering what action it

can take in the future. What action has it taken in respect of the demutualisation issue? What approaches has the minister made to Ruth Kelly and Gordon Brown on the financial vandalism of the Financial Services Authority's actions in some of its recent rulings? What action has he taken to protect the interests not just of Standard Life, but of other mutuals?

Mr Wallace: On the question that Fiona Hyslop raises about compulsory redundancies, which I think Margaret Smith also raised, I am not in a position to indicate whether compulsory redundancies will be necessary. That will obviously be a matter for the company. However, I will certainly ensure that those comments are conveyed to the company.

The factors that may lead to demutualisation relate very much to the market; they do not always relate to specific policy. I can assure Fiona Hyslop that the Treasury is engaged with the financial services strategy group—indeed, a senior Treasury official attended the group's first meeting specifically because issues are raised that relate to responsibilities that go beyond the responsibilities and powers of this Parliament. Those issues, which relate to regulation and other matters that affect the financial services, are dealt with at a Whitehall-Westminster level. That is why the Treasury will be involved in the work of that group.

Ms Wendy Alexander (Paisley North) (Lab): I suspect that the Deputy First Minister may agree that, in such circumstances, Opposition parties always think that the Government should be blamed. It is my understanding of the Standard Life story that the company is meant to be characterised by its greater accountability to policyholders. However, in recent weeks, it has been characterised by high pay-offs to the former chief executive, huge pay rises to the senior executives and—it could be argued—an over-cosy tradition in promotion practices internally and at board level, as well as an investment strategy that has required the FSA to intervene to try to protect policyholders' interests. Does the minister agree that the Parliament's reputation might be enhanced if we focused on and understood some of those issues rather than on simply blaming the Government?

Mr Wallace: Wendy Alexander highlights the fact that these matters are never quite a simple case in which it is sufficient to blame the Government. To be fair, a number of members—even some from Opposition parties—have not sought to put all the blame on the Government. *[Interruption.]*

The Presiding Officer: Order.

Mr Wallace: We are undoubtedly dealing with an area in which there are complex issues. In the

life assurance market, there has been a significant decline in the market for with-profit products. Those are all important considerations. To pin the blame on any one individual or any one group of individuals does not do justice to what is inevitably a complex matter.

Stewart Stevenson (Banff and Buchan) (SNP): I draw attention to my entry in the register of members' interests.

Does the Deputy First Minister think, as I do, that the Chancellor of the Exchequer's treatment of capital gains tax in relation to investment funds has been nothing short of scandalous? In 1997, he removed funds' freedom from capital gains tax. Of course, he has now proposed introducing freedom from capital gains tax for disposals for commercial companies, thus disadvantaging mutual companies that work in the investment sector to the advantage of commercial operations across a wide segment of businesses. In view of the conversion of the Deputy First Minister's party to fiscal autonomy at its recent conference, how would he respond to the situation that we are discussing today if he was in charge of the Scottish Executive's financial policy after we had won fiscal autonomy?

Mr Wallace: The first part of Stewart Stevenson's question highlighted the point that Wendy Alexander made. Quite frankly, to try to score that kind of political point and to put that kind of hypothetical question does not do justice to what is a very serious situation, in which 1,000 people face job losses.

Mr John Home Robertson (East Lothian) (Lab): Given the very worrying circumstances, is there not a case for the Executive to reconsider its policy of dispersing civil service jobs away from the Lothian area?

Mr Wallace: We know that dispersal announcements have been made already. As we have indicated in the past, although there is a presumption in favour of dispersal when specific trigger points are reached, dispersal is not automatic. Indeed, I think that I recall at least one announcement in the recent past in which jobs were secured in Edinburgh. Obviously, the economic circumstances of the areas concerned, including Edinburgh, are relevant factors that ministers take into account when considering relocation.

Robin Harper (Lothians) (Green): I express my sympathy for the Standard Life employees who are to lose their jobs. My view is that mutuality delivers a high standard of service to a company's members. Will the minister join me in commending Standard Life for its commitment to the Edinburgh community? Its example is one that could be followed by many other businesses in the city.

Mr Wallace: I join Robin Harper in commending the company for the range of ways in which it has contributed to the life of the city. As I said, even after the impact of the announcement is taken into account, several thousand Standard Life jobs will remain in Edinburgh. We want to ensure that those jobs prosper.

London Olympic Bid

The Deputy Presiding Officer (Murray Tosh):

The final item of business is a members' business debate on motion S2M-811, in the name of Alex Neil, on the London Olympic bid for 2012. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes with concern the decision by Her Majesty's Government to provide an unlimited funding guarantee for the London bid to host the Olympic Games in 2012 and, whilst happy to support the bid's success, believes that London should share financial responsibility for the guarantee in line with the original intention of Her Majesty's Government, outlined in the response to *A London Olympic Bid for 2012* by the Department for Culture, Media and Sport.

17:49

Alex Neil (Central Scotland) (SNP): My speech will not be about defending some narrow nationalist point or promoting a kailyard mentality towards the global Olympic movement. Indeed, I wish London all the best in its bid to get the Olympics in 2012. London is a wonderful international city and it is well placed to host the Olympics in 2012. I also recognise the potential benefits to Scotland. Some of the pre-games training might be brought to Scotland and some games might be hosted here, for example football at Hampden or sailing at Largs—which is in the constituency of the Deputy Minister for Environment and Rural Development, Allan Wilson. There is also a potential tourism spin-off, because people who come to London to see the Olympics might include a visit to Scotland.

However, like the House of Commons Culture, Media and Sport Select Committee, I have a number of concerns about the costs, funding and benefits of the London bid. In particular, I am concerned about the bill that is currently going through the House of Commons to set up a special lottery for the London Olympics. That legislation will have an effect on the revenues that the existing lottery fund generates and on the money that it spends on good causes and sports in Scotland and elsewhere in the United Kingdom.

My concerns are shared by the House of Commons select committee, but similar concerns have been expressed elsewhere in the UK, including in Wales and in the north-east, the north-west and the south-west of England. If for no other reason, those concerns must be addressed because, as part of the approval process for the bid, the International Olympic Committee will carry out a UK-wide opinion poll next year to establish the level of commitment to London hosting the games in 2012. If that opinion poll produces a

negative result, because the Scots, the Welsh and people in the regions of England are unhappy with the proposed arrangements, it could scupper London's bid. Therefore, it is in the interests of the bid committee to listen to our concerns.

The UK Government estimates that a total of £2,375 million in public subsidy will be needed for the bid. Of that nearly £2.4 billion, £1.5 billion will come from the national lottery. For the purposes of tonight's debate, we will assume that the estimate is right and is not like the estimates for the Dome or the Scottish Parliament building, which ended up costing twice, three times or four times the original estimate.

Half of the lottery money—some £750 million—will come from the new Olympic lottery game. The other £750 million will come from "Existing sports distributors" and

"Possible changes to the existing shares between 'good causes' after 2009-2012".

On those figures, Scotland could lose well more than £30 million of sports money to pay for the London Olympics. That is equivalent to the total amount of money that the First Minister committed yesterday for football in Scotland between now and 2015. Scotland could lose a further £40 million or more from lottery funds that are currently devoted to good causes. Thus, Scotland could be robbed of a total of £70 million of much-needed money for sports and good causes to subsidise the London Olympics. Personally, I find that unacceptable.

Even if we add up all the benefits that Scotland is likely to get from the London Olympics, under the present arrangements, the benefits are unlikely to compensate for the scale of the loss that sport and other good causes in Scotland would suffer. As I said, similar concerns have been expressed elsewhere in the United Kingdom.

To make matters worse, Camelot estimates that 59 per cent of existing lottery income will be cannibalised by other lottery games. There will be a double whammy: lottery revenues for good causes will drop by up to 60 per cent and a huge chunk of existing spending will be siphoned off from existing lottery funds.

Allan Wilson (Cunninghame North) (Lab): I am not sure where the member's argument is going. Does he believe that Scotland should make any contribution to a successful London bid for the Olympic games? If so, at what level does he believe that Scotland's contribution should be set?

Alex Neil: My position is clear: our contribution should be in line with the benefits that Scotland can get and we should not end up supporting the London Olympic bid at any price to Scotland, Wales or the north-east, north-west or south-west

of England. I agree with the most recent report of the House of Commons Select Committee on Culture, Media and Sport, which said:

"What is clear is that funding the 2012 Games, should the bid be successful, constitutes a potentially huge drain on the total funds available for the existing good causes, including grassroots sport (especially outside London where expected legacies will presumably be less). This is at a time when total Lottery ticket sales are only just poised to come out of a 5 year decline".

The committee also mentioned the importance of promoting sport and a generally more active lifestyle, especially among children, which will be relegated among our public health priorities as a result of the loss of lottery money.

To add insult to injury, the UK Government made all its commitments and statements without any prior consultation. There was no consultation with the sports bodies in England, Wales, Scotland or Northern Ireland, and there was no prior consultation with the recipients of existing lottery funds for good causes. I doubt whether there was any prior consultation with the Scottish Executive, but if there was, what was its response? There was certainly no prior consultation with the Parliament.

The London bid can be supported in principle, but not at the heavy price that our sport and good causes, Welsh sport and good causes, Northern Irish sport and good causes and sport and good causes in parts of England outside London will pay. They should not pay that price. As the House of Commons select committee pointed out, the creation of a separate lottery dedicated to the London Olympics would be

"unnecessary, wasteful of resources and against the thrust of the Government's own strategy for sport."

I reach the same conclusion as the House of Commons Select Committee on Culture, Media and Sport, which is dominated by Labour, Tory and Liberal Democrats MPs and on which there are no Scottish National Party MPs. That committee says:

"It is clearly desirable in principle that London should host an Olympic and Paralympic Games. But it should not do so at any price."

17:58

Mr Jamie McGrigor (Highlands and Islands) (Con): Like the SNP, the Scottish Conservatives fully support London's Olympic bid. As the SNP has outlined, the Government's estimate is that £55 million per year—about 4 per cent of annual income for good causes from the lottery—will go to the Olympic bid. The SNP is right to say that money will be diverted from good causes, but that is the case for the whole UK, not only Scotland.

The chairman of sportscotland, Alastair Dempster, welcomed the London 2012 Olympic bid, but said:

"While we wait to hear further details regarding the funding arrangements for the implementation of a successful Olympic bid, we are concerned that the funding required will be diverted from existing Lottery streams."

I appreciate those concerns, because it is estimated that between £40 million and £60 million will come off Scottish sports funding to help to make up the Olympic £3.6 billion. Some would say that that is a fraction of the cost, but it is a substantial amount for Scottish sport over the next seven years.

Another big worry is the fact that lottery income appears to be dropping consistently from year to year. I fully understand the concerns that funding might be taken away from current Scottish sport funding, but I ask where else the money will come from. I know that the SNP wants London to fund the games, because it believes that London will get the benefits from them—it takes the view that if a place benefits, it has to pay for the thing. That is fair enough, but the fact is that Scotland will benefit from the games if the bid is successful.

For example, it is guaranteed that Hampden will be used for the football tournament. On that point, it is sad that there are unlikely to be any British footballers involved. I think that my previous suggestion that we should reinstate the home internationals, and that whoever wins the home international championship should represent Britain in the Olympics, is a very good idea. I wonder whether the minister might say something about that.

Athletes from all over the world will come to Scotland and the rest of the UK to train and prepare for the games. That is a great advertisement for our country. Surely that means that we should contribute financially as much as possible to the games.

Alex Neil: I am not against the Olympics; what I want is for the benefits and costs to relate to each other. Is Jamie McGrigor prepared to tell the sports clubs of the Highlands and Islands that benefit from lottery money that they are not to get any funding for the next 10 years because of the London Olympics being subsidised?

Mr McGrigor: No—I do not think that such clubs will not get any funding. There might be a shortfall somewhere, but that should be made up by the benefit from the Olympics to Scotland and to sport as a whole, especially when we think about young people's dreams about sport. If we really wanted to do something for sport, we would have at least two hours' physical education in schools. Then, I hope, we would have more Olympic athletes. That would be a start; it is not all about money.

I think that Scotland will benefit more from the London Olympics than the majority of English counties, and what about all the charities and

sports activities that will benefit? The Olympic games are different—they are special, and they bring a terrific buzz. They inspire children to get out and get involved in sport. Children will get a passion for a whole range of sports if the games come to the United Kingdom. I believe that the Olympics are an occasion that brings the UK together—Alex Neil may or may not agree with that. I believe that we would be getting an extremely good deal if the games were brought to London. However, I also agree that funding would be diverted, and that concern has been echoed by sportscotland, with which I have been in contact today.

I look forward to hearing from the minister about what has come out of discussions on the issue with Tessa Jowell, the Secretary of State for Culture, Media and Sport.

I re-emphasise that money is not everything where sport is concerned. We need enthusiasm and a little more physical exercise in schools. I make that plea to the minister.

18:03

Margo MacDonald (Lothians) (Ind): It is absolutely true that money is not everything where sport is concerned—but it sure says a lot for people who are trying to keep together a wee cycling team that operates out of a shed somewhere in the back of beyond in central Scotland; for someone who is trying to pay to take young swimmers to interclub galas; or even for the people from Livingston who happen to be the British ice dance champions and who are now making it into the top 10 in world ice dancing. They find that money helps a great deal, because it allows them to seek out the best possible coaching and residential courses.

Money is important. We should think about that if money is going to be taken from sports in Scotland that, in line with Executive policy, are trying to increase their rates of participation and to improve performance. The bedrock is to get more people participating and money is required to do that. Young athletes, who are often from deprived areas, frequently need help to buy the kit. Do members know how much it costs to buy ice hockey kit—for those who happen to live around Ayr or Kirkcaldy? It is a lot of money. The clubs need money if young people are going to take part. By denying them it, we are selling Scottish sportspeople short.

We also need coaches. It is not enough just to pay for the kit so that the kid can go and play ice hockey or whatever other sport; they have to be properly coached. Coaches, who are not usually from the most salubrious backgrounds, have to be sent to training camps.

It all takes money, which is why the community sports clubs need it. I understand that sportscotland is concerned because it expects funding of only £18 million next year compared with £32.5 million in 1998, which was before the necessity was recognised of getting people to have an active lifestyle and of getting more people teaching physical education in schools—Jamie McGrigor is quite right about that. However, believe it or not, even that has an impact on the amount of money that sportscotland has at its disposal. We have to utilise properly a higher number of PE teachers, who can be used in the community to coach and stimulate interest in sports, because that is much more likely to get people participating in sport than are television pictures of an international-class athlete. It does not matter whether those pictures are being beamed from London or Rio de Janeiro. If the kids are going to be motivated by world-class athletes, it will not matter what the colour of their skin is or where they are performing their athletic skills. Hosting the Olympic games would have to be a huge motivating factor to overcome the downside of the loss of money to sport.

Mr McGrigor: I completely take the point that the member is making, because in the region that I represent, shinty is a big game that does not receive nearly enough funding, as I have said on many occasions, but it still manages to go on providing a means of physical exercise. We do not see shinty at the Olympics.

Margo MacDonald: That was my point. The reason why we do not see shinty at the Olympics is that it cannot expand from its base, which has a lot to do with financial constraints.

What would the London Olympics do for Scottish sport? If the Olympics were taking place in London, there could be a bigger British team and we might get more Scots into it, who would just get under the wire of the qualifying time for the Olympic events and who would be losers. I doubt that that would be a great big motivator for more kids to take part in Scottish sport. I speak as someone who dreamed of going to the Olympics and trailed over to Coatbridge baths every Sunday morning to dive off the 5m board. I never got to the Olympics and I got a burst eardrum, but that is another story.

I do not wish to sound dog-in-the-mangerish about London having the Olympics, but I honestly think that from our point of view—we must evaluate the matter from our point of view, as did the House of Commons select committee—the case has not been proved that there will be such a huge benefit to what we are trying to do on participative sport and on raising standards in this country. We should not upset that programme in order to bid for the 2012 Olympics. I will be long

gone, but if we considered a longer timescale, we might manage to combine the two objectives. By going for the London Olympics in 2012 and depriving sport of its essential funding to do so, we are doing a great disservice to all the young athletes who might get to the Olympics in London or elsewhere in 2016 or 2020.

18:08

Allan Wilson (Cunninghame North) (Lab): I thank my colleague Frank McAveety for giving me the opportunity to contribute, as I am not the minister responsible for the subject. I was moved to speak by the speeches of Alex Neil and Margo MacDonald, who are two members with whom I would usually have quite a lot in common; however, in this instance they are in danger of failing to see the wood for the trees.

I accept fully the point that was made about the importance of kit, infrastructure and facilities in driving excellence in sport, but what inspires the youngster to get out of their bed at 5 o'clock in the morning to go to their local swimming baths to participate in the training that allows them to achieve sporting excellence? What inspires the young cyclist to go to the central Scotland cycling club at all hours of the day and night to train to achieve sporting excellence? What inspires the young ice skater in Ayr to use their spare time in order to achieve sporting excellence?

Margo MacDonald: Does the minister want the answer? I suspect that the ice dancers were inspired by hearing "Bolero" and seeing the excellence of two English skaters at the Olympics a long time ago. Those skaters did not have to be in London or next door to motivate and raise standards. That is my point.

Allan Wilson: I suspect that that is also my point. Youngsters are inspired to achieve sporting excellence and to seek the holy grail of success on the sporting field by role models—people such as world champion ice skaters or Graeme Obree, the famous Scottish cyclist, who competed at the highest level on the Olympic stage.

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

Allan Wilson: I am responding to a point in this interesting debate. Dare I say it—in any field, sporting excellence inspires youngsters and gives them aspirations to match their prowess to that of other contemporary athletes on the world stage. What better inspiration is there than having the world's greatest sporting festival on their doorstep? I suggest respectfully to our nationalist friends that the only place on these islands that can secure the Olympics is London.

Notwithstanding the considerable economic benefit that could accrue to my constituency, to my

ministerial colleague's constituency and to the constituencies of everybody who has the opportunity to participate in that world sporting gala, we would fail the people of Scotland if we did not fling our whole-hearted support behind hosting that world festival on our doorstep, to inspire the young athletes of whom I speak. The nationalists are in danger of seeing the price of everything and the value of nothing.

18:12

The Minister for Tourism, Culture and Sport (Mr Frank McAveety): I thank members for their speeches and I thank Alex Neil for lodging the motion. I also pay tribute to my colleague Allan Wilson for being a significant voice of reason in the debate.

I will deal with key issues that have been identified and I will try my best to address all the points that members have made. Like Alex Neil, the Scottish Executive welcomes the UK's bid for the Olympics. Alex Neil described seven qualifying phases—which would probably be much longer than qualifying phases for an Olympic event—following which he would support the London application.

Members should know two or three fundamental facts. As Allan Wilson said, the Executive is keen to maximise the benefits for the whole UK of a successful bid. It is obvious that London would be a significant beneficiary. According to the logic that Alex Neil deployed, if Scotland were to bid for the Commonwealth games, we would have to exclude our two largest cities, because other parts of Scotland might be a wee bit upset if Edinburgh or Glasgow were considered as a potential bidder. The same logic applies to consideration of whether London's bid is suitable for the rest of the UK.

Alex Neil rose—

Mr McAveety: I just drew a parallel, because sometimes the narrow confines of Scotland can influence perspectives.

The Exchequer would be the ultimate guarantor of funding for the games—that is a prerequisite of International Olympic Committee consideration. However, the motion is incorrect, as London intends to share financial responsibility for that guarantee, in line with the original intention of Her Majesty's Government as outlined in the response by the Department for Culture, Media and Sport to "A London Olympic Bid for 2012". That document referred to

"a sharing arrangement to be agreed as appropriate with the Mayor of London and ... seeking additional National Lottery funding in amounts to be agreed at the time."

The UK Government does not expect to need additional public finance. The proposed funding package comprises £2.375 billion, of which £1.5 billion will be from lottery funds and £875 million will be from London council tax payers and the London Development Agency. Therefore, the burden would be spread in respect of the broad contribution. I say to Alex Neil that there has not been a specific analysis from a utilitarian view, but it is not necessarily logical to say that we will put in only what we think we will automatically get back because—as I think Jamie McGrigor rightly said—the bid is as much about aspiration and inspiration as it is about consequential economic benefits.

I assure Alex Neil that the work that I am doing—as the minister who has responsibility for sport—with sportscotland and many other sporting bodies aims to maximise where possible the range of opportunities that the bid will provide. One opportunity that is currently evolving is the training-camp opportunity. Evidence from Australia relating to recent developments suggests that training camps have made substantial contributions and have provided significant economic benefits to the areas where they are. We will certainly endeavour to work in that direction.

Alex Neil *rose*—

Mr McAveety: I will give way to Alex Neil in a moment.

There is a second key objective. I want to clarify and emphasise that there is no intention that sportscotland's share of the lottery sports fund contribution will be top-sliced to pay for facilities in London. That suggestion is absolutely wrong. The £340 million from the lottery sports fund was always intended to maximise opportunities for sport and to work to achieve sport 21's ambitions in Scotland, as part of the wider UK ambition to improve medal success in 2012. We want a sporting legacy that is not only for currently successful individuals, but which will inspire the many young Scottish sports persons whom we want to participate in 2012.

Alex Neil: My quotes were taken directly from a House of Commons select committee on which Labour members form the majority.

Has the minister undertaken any evaluation of the maximum potential benefits? Can he put a figure on them? Are the potential benefits to Scotland anywhere near £70 million?

Mr McAveety: I am happy that the *Official Report* will say that Alex Neil has listened carefully to Labour members in the House of Commons and that he is happy to accept their veracity. I hope that he will take that position consistently in many other debates.

I have two things to say. First, I have already said that £30 million of the £70 million that Alex Neil mentioned will be spent in Scotland and in the sportscotland budget to facilitate the development of our aspirational athletes for 2012. That money will be contained within Scotland.

On the broader issue of good causes, I am willing to concede that there will be a potential impact on good causes throughout the United Kingdom over the next few years, which would not be specific to Scotland. One of the key aims that Camelot—the current lottery distributor—and many other agencies that are involved will need to work towards is minimisation of the impact on good causes.

However, I want to clarify that the issue is about notional income over the next eight to 10 years—it is not about money that is already in the system that will be lost to existing lottery commitments. The issue relates to what we want to do with future income generation. Choices are being made in respect of how we see the opportunities that can exist with the development of the Olympics in London in 2012.

Obviously, there are substantial potential economic benefits for the many companies that could compete to provide services for the 2012 Olympics. There is already evidence that a number of Scottish companies are in there early enough to try to identify ways in which they might benefit. However, the issue is not about a strict accounting mechanism that says that we should automatically have everything from the Olympics that would necessarily have gone to good causes. We need to try to match things up with many other aspirations.

I will deal with one or two other issues that have been raised. Jamie McGrigor rightly raised an issue that he has been consistent about, although he is consistently wrong about it. He asked whether we should try to unite the home nations for a Great Britain football team. Members know well that the autonomy of football bodies such as the Scottish Football Federation, the Irish Football Association and the Football Association of Wales is well protected. I certainly would not want to encourage a development that could work against many of our European and world cup qualifying opportunities and aspirations. I want to have the opportunity at least to believe that we can achieve much in the qualifying phases and I hope that, with yesterday's welcome injection of money from the Executive and other sources, we will be able to participate in finals as fans, and that perhaps even the sons or grandsons of people in the chamber can represent their country at that level. I would therefore not want to encourage such a development. What was said was interesting, but I do not necessarily share such views.

One of the key challenges for us over the coming period is to work with the lottery money distributor to maximise the ways in which Scotland can be protected from some of the impact on good causes. I want to work with the National Lottery to find ways in which we can deal with that. That will require substantial and effective discussion.

On the longer-term strategy, which Margo MacDonald mentioned, we have already set criteria for the talented athletes that we have in Scotland. We think that we can give more substantial support to athletes—for example, some of our skaters and others—who have performed at a level that previous development suggested they might not reach. Sportscotland has a review process that ensures that any individual athlete can re-apply for funding if he or she feels that the quality of their performance has started to improve—sportscotland would welcome that. Over the past few months, the performance of one or two athletes has been above what had been projected, and sportscotland is presently in discussion with those athletes about that.

The UK can benefit from London's bid for the 2012 Olympics. We are competing with many other major nations, and global television can inspire in much the same way that the colour television pictures of the 1970 world cup clearly inspired many individuals.

I conclude by returning to an observation that I made yesterday when I announced the action plan for youth football. Everyone remembers the five or six stars of the Brazil side at the 1970 world cup finals. One of the lesser-known players was the centre back, Piazza. When asked how he felt about performing for Brazil in the 1970 world cup final, he said that he was from a very poor region of Brazil—the Mineiros region—and that he remembered a story from his childhood about a hummingbird that went to the river to get water to put out a raging forest fire. A cynical, wiser old bird—I hate to use that as an analogy for Alex Neil—said, “Why are you wasting your time? You will not put out that fire.” The hummingbird replied, “I am trying to play my part.”

If we can play our part within the wider United Kingdom to ensure that, at the 2012 Olympics, Scottish athletes can perform at the top level and can talk about that as proudly as Piazza talked about his contribution, unremarked as he was in 1970, I think that that will make a difference. I hope that Alex Neil, too, can recognise that.

Meeting closed at 18:22.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, 375 High Street, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Wednesday 7 April 2004

Members who want reprints of their speeches (within one month of the date of publication) may obtain request forms and further details from the Central Distribution Office, the Document Supply Centre or the Official Report.

PRICES AND SUBSCRIPTION RATES

DAILY EDITIONS

Single copies: £5

Meetings of the Parliament annual subscriptions: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WHAT'S HAPPENING IN THE SCOTTISH PARLIAMENT, compiled by the Scottish Parliament Information Centre, contains details of past and forthcoming business and of the work of committees and gives general information on legislation and other parliamentary activity.

Single copies: £3.75

Special issue price: £5

Annual subscriptions: £150.00

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Standing orders will be accepted at the Document Supply Centre.

Published in Edinburgh by The Stationery Office Limited and available from:

The Stationery Office Bookshop
71 Lothian Road
Edinburgh EH3 9AZ
0870 606 5566 Fax 0870 606 5588

The Stationery Office Bookshops at:
123 Kingsway, London WC2B 6PQ
Tel 020 7242 6393 Fax 020 7242 6394
68-69 Bull Street, Birmingham B4 6AD
Tel 0121 236 9696 Fax 0121 236 9699
33 Wine Street, Bristol BS1 2BQ
Tel 01179 264306 Fax 01179 294515
9-21 Princess Street, Manchester M60 8AS
Tel 0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
Tel 028 9023 8451 Fax 028 9023 5401
The Stationery Office Oriel Bookshop,
18-19 High Street, Cardiff CF12BZ
Tel 029 2039 5548 Fax 029 2038 4347

The Stationery Office Scottish Parliament Documentation
Helpline may be able to assist with additional information
on publications of or about the Scottish Parliament,
their availability and cost:

Telephone orders and inquiries
0870 606 5566

Fax orders
0870 606 5588

The Scottish Parliament Shop
George IV Bridge
EH99 1SP
Telephone orders 0131 348 5412

RNID Typetalk calls welcome on
18001 0131 348 5412
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers