

MEETING OF THE PARLIAMENT

Wednesday 4 October 2006

Session 2

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CONTENTS

Wednesday 4 October 2006

Debates

Col.

TIME FOR REFLECTION	28219
FOOD SUPPLY CHAIN	28221
<i>Motion moved—[Sarah Boyack].</i>	
Sarah Boyack (Edinburgh Central) (Lab)	28221
The Minister for Environment and Rural Development (Ross Finnie)	28226
Richard Lochhead (Moray) (SNP)	28229
Mr Ted Brocklebank (Mid Scotland and Fife) (Con)	28231
Maureen Macmillan (Highlands and Islands) (Lab)	28233
Christine Grahame (South of Scotland) (SNP)	28235
Mr Mark Ruskell (Mid Scotland and Fife) (Green)	28237
Christine May (Central Fife) (Lab)	28239
Mr Jamie McGrigor (Highlands and Islands) (Con)	28241
Mr Andrew Arbuckle (Mid Scotland and Fife) (LD)	28243
Stewart Stevenson (Banff and Buchan) (SNP)	28245
Frances Curran (West of Scotland) (SSP)	28247
Elaine Smith (Coatbridge and Chryston) (Lab)	28249
Nora Radcliffe (Gordon) (LD)	28250
Alex Fergusson (Galloway and Upper Nithsdale) (Con)	28252
Rob Gibson (Highlands and Islands) (SNP)	28255
The Deputy Minister for Environment and Rural Development (Rhona Brankin)	28257
Eleanor Scott (Highlands and Islands) (Green)	28259
CO-OPERATION WITH IRELAND	28264
<i>Motion moved—[Dennis Canavan].</i>	
Dennis Canavan (Falkirk West) (Ind)	28264
The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson)	28266
Bruce Crawford (Mid Scotland and Fife) (SNP)	28268
Bill Aitken (Glasgow) (Con)	28269
Mr Jim Wallace (Orkney) (LD)	28271
Helen Eadie (Dunfermline East) (Lab)	28272
Iain Smith (North East Fife) (LD)	28273
Derek Brownlee (South of Scotland) (Con)	28275
Mr Kenny MacAskill (Lothians) (SNP)	28276
Allan Wilson	28278
Irene Oldfather (Cunninghame South) (Lab)	28280
POINT OF ORDER	28283
Alex Neil (Central Scotland) (SNP)	28283
BUSINESS MOTIONS	28284
<i>Motions moved—[Ms Margaret Curran]—and agreed to.</i>	
Fiona Hyslop (Lothians) (SNP)	28285
The Minister for Parliamentary Business (Ms Margaret Curran)	28285
PARLIAMENTARY BUREAU MOTIONS	28288
<i>Motions moved—[Ms Margaret Curran].</i>	
DECISION TIME	28289
LEARN TO SIGN WEEK	28290
<i>Motion debated—[Cathie Craigie].</i>	
Cathie Craigie (Cumbernauld and Kilsyth) (Lab)	28290
Christine Grahame (South of Scotland) (SNP)	28292
Eleanor Scott (Highlands and Islands) (Green)	28293
Euan Robson (Roxburgh and Berwickshire) (LD)	28295
Dave Petrie (Highlands and Islands) (Con)	28296
The Deputy Minister for Communities (Johann Lamont)	28297

Scottish Parliament

Wednesday 4 October 2006

[THE PRESIDING OFFICER *opened the meeting at 14:00*]

Time for Reflection

The Presiding Officer (Mr George Reid): Good afternoon. The first item of business is time for reflection, which is led today by the Rev Leith Fisher of Wellington church in Glasgow.

The Rev Leith Fisher: I had just arrived back from holiday in late August and was busy wading through a minor mountain of accumulated mail and e-mail when the phone rang. The call was a request to be involved in the imminent launch of a little booklet called “Our Sacred Earth—a guide for becoming more eco-friendly in your faith community.” I think that it is a wee gem. It has been produced by the youth committee of the Scottish Inter Faith Council.

That youth committee is made up of young people from 10 faith traditions. They meet regularly and they share a vision to promote religious understanding in our land by building friendships, hosting conferences, workshops and retreats and undertaking practical projects together.

The booklet contains a number of quotations from the various faith traditions, each emphasising that the care and cherishing of the earth is one of the fundamental imperatives of that faith. It also contains a brief sketch of the huge ecological challenge before us and a useful list of contact organisations. The main body of the booklet is taken up with a substantial series of practical steps that we can take as individuals and organisations to conserve energy and reduce waste.

For me, it is a seed and sign of hope that this interfaith group of young people, instead of concentrating on the differences between their religions, have poured their efforts into a project that has significance for everyone, whether Christian, Muslim, Jew, Hindu, Buddhist, atheist or agnostic, and which embraces all humanity—indeed, creation itself. So often these days, religion is portrayed as being either esoteric and other worldly or sectarian and divisive. However, here we have a group of Scottish young people that has produced a little work that is inclusive and down to earth with a vengeance. To do that, they have had to move out of their traditions, forge new relationships and get beyond stereotypes and prejudices. How well they have done that.

They recall us to the earth that we share for a time and to the common cause of caring for and cherishing, under God, this unique, diverse, huge, strong, fragile creation as part of our working together for the common good and the common weal of the world and all its people. By their practical hints, they show us how we can eat this elephant which threatens to crush us—as Desmond Tutu says—

“one piece at a time.”

Food Supply Chain

The Presiding Officer (Mr George Reid): The next item of business is a debate on motion S2M-4884, in the name of Sarah Boyack, on the Environment and Rural Development Committee's eighth report of 2006, which is on the committee's inquiry into the food chain.

14:03

Sarah Boyack (Edinburgh Central) (Lab): I thank Parliament for giving us the time to debate an issue that the Environment and Rural Development Committee feels is an important topic. I want to thank the many witnesses and members of the public who contributed to our call for evidence and helped us to produce a report that came to some important conclusions and made some important recommendations that we firmly believe need to be acted on by the Scottish Executive and others.

Over the past few months, as we concluded our inquiry, there has been a big debate on this matter in the newspapers. I think that that reflects the level of public interest in the issue. We wanted to examine what was happening between various elements in the food chain. We picked up concerns about the impact of the changing retail markets, particularly with regard to centralisation in some of the major retailers. It was reported to us that that is putting pressure on farm-gate prices. From our previous work on the reform of the common agricultural policy, we were aware of the need to manage the impact of CAP reform, particularly with regard to the issue of preparing the farming industry to adapt to a world in which there are no subsidies for production but, instead, subsidies for stewardship of the land. That will mean that there will have to be a much greater emphasis on marketing products that are grown in Scotland.

We also wanted to recognise the importance of agricultural production to our rural areas and to look for a focus from the Executive, through its agricultural strategy, on how more can be done to bolster rural economies and to promote rural diversification and new economic communities in those areas in which two or three jobs make a big difference. We had a number of key objectives when we set out on our inquiry.

We took evidence from a wide range of interests and heard some passionate and well-argued views. We spoke to farmers, food processors and supermarkets and we had representations from consumer representatives and business development agencies. We also wanted to hear not only from the Minister for Environment and Rural Development but from the Enterprise, Transport and Lifelong Learning Department because we wanted to find out how joined up the

Scottish Executive is and how committed it is to the twin aims of making sure that our agricultural industries are fit for the future and are promoting the economic opportunities that come from the growing of food in Scotland.

It is fair to say that the committee heard a lot of strong views, but there were some clear messages. There were big worries about price pressures, particularly in the farming community. It was argued that there is uncertainty about and a downward pressure on prices. We heard a range of views from different parts of the agricultural sector about supply and demand issues—there were many articulately-made points about that. There were big concerns about the long-term viability of the Scottish agricultural community, depending on how CAP reform goes through.

The committee also heard that the supermarkets' purchasing policies are adding to the general uncertainty and pressure. It is important to say that we found it difficult to get specific examples, names, dates and times from farmers who have experienced difficulties with the major supermarkets. They were reluctant to put their names to those difficulties in public because they were worried about potential retribution and about losing contracts. It is fair to say, however, that we received good evidence about the major trends. The committee was keen to pass those messages not only to Executive ministers but to the Competition Commission's recent inquiry.

Farmers told us of their concern that supermarket dominance is putting them at risk. There are short-notice contracts and word-of-mouth contracts whereby there is no guaranteed price and no guarantee that the retailer will purchase the food. Such concerns exist not just about retailers but also about the food processing industry. Pinning things down and seeking transparency was a key challenge for the committee during the inquiry. We found it impossible to track where the money goes in the food chain, and we were not the first to have found that impossible. The House of Commons Select Committee on Environment, Food and Rural Affairs reported on the milk industry in England and Wales and it, too, found it difficult to get people to put numbers on the record.

Another issue is two-for-one offers. The Environment and Rural Development Committee was surprised to learn that it is usually the farmers who pay for the two-for-one deals that we see in supermarkets.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): On the issue of milk, the report states that the committee

"was not able to get a clear answer to critical questions such as exactly where the retail price of milk is shared out between elements in the supply chain".

I can understand that farmers do not want talk on the record about their contracts with supermarkets, but I would have thought that the committee should have been able to find out how the retail price of milk is allocated. Why was that not possible?

Sarah Boyack: We managed to get the starting price of milk as it comes out of the farm gate and we managed to work out—not surprisingly—how much it costs on the supermarket shelf, but the process in between was not transparent to us. The committee explored that with a number of witnesses but we could not pin it down.

Alex Fergusson (Galloway and Upper Nithsdale) (Con) rose—

Sarah Boyack: If Alex Fergusson lets me move on, I will take his intervention later.

There is also an issue of scale. Because there are major contracts that cover the whole country, it is difficult for the small producers to get into the system and to get access to the process. The smaller farmers told us that they found it difficult to gain the expertise in negotiation that is needed to deal with major organisations. We also talked to food processors because we acknowledge that it is important to add value to agricultural produce, but, again, we found it difficult to get transparency on costs.

The committee thought it important to talk not just to farming interests but to retailers and other people who are involved in the food supply chain. One of the key conclusions of our report is that, in future, it is important to consider not just the supermarket industry but the public sector, which is a critical potential market for Scottish farming goods. Schools, hospitals and Government organisations are important purchasers. A key message that came back in evidence to the committee was to think of the opportunities and not just the problems.

The committee came up with some strong conclusions. We wanted to put on record the importance of the food industry to Scotland, considering the money that it generates in Scotland. We wanted to focus on how the agricultural community can be supported in a time of change. We considered business support, promoting collaboration among different farmers and developing farm businesses in the long run.

We also looked at how local enterprise networks could help the process, particularly through the development of agriculture and food strategies, so that they can give business assistance and advice to farming communities. We felt that the Scottish rural development plan was crucial in terms of funding opportunities. If we are moving away from an agricultural-based subsidy system, we have to look to rural development and diversification, which we look to the Executive to promote.

We also considered how to increase the value of local production, by keeping local jobs and ensuring that farmers markets are fully supported. We saw huge opportunities in that, and we asked the Executive to tell us how important that was for its strategy. We came up with the idea of a food surplus agency. A number of farmers reported that if they did not produce agricultural goods of exactly the shape, size and weight requested by a supermarket, that produce potentially went to waste because the farmers were tied into a contract with one supermarket chain. The minister was not particularly enthusiastic about that in the Executive's response, but it was one of the issues that came up in evidence that we would like to be pursued.

I said earlier that procurement is important, and one of our key recommendations to the Executive concerned it. We are well aware that European Union competition rules are not joined up. For example, they are fully in favour of sustainable development, but we are not allowed to use food miles as a criterion in choosing the produce used by the public sector. We find that crazy in a context in which we are trying to cut CO₂ emissions and be more environmentally sustainable. Permissible criteria include freshness and whether something is organic. We know that the Executive has done successful pilot work in Ayrshire, and we would like the lessons from those projects to be learned across Scotland and the Executive to promote them in the future revisions to procurement guidelines. A lot could be done by the Executive.

There are also issues with competition rules. Competition is not a competence of the Scottish Parliament, but we know that the minister has previously commented on it to UK competition authorities, and we felt that the Scottish experience that we picked up should be fed into the process. We would like more collaborative supply chains, food co-ops and farmers co-ops. We would like to learn lessons from other countries, particularly on milk production. We felt that previous decisions by the Competition Commission had not helped Scottish business and that it was important to lobby the commission. When the commission came to Edinburgh, cross-party committee representatives gave feedback to it from our committee report.

The approach to competition must not be short-term or narrow. We have to be able to take a long-term perspective. If we take only a short-term approach, we could risk the viability of part of our farming communities. We would certainly have a longer-term impact on the choice that is available to us as consumers and our access to good-quality fresh goods at a price that we can afford. We also thought that the environment must be part of the process of considering competition. It needs

to be internalised into the process, rather than seen as an external issue.

There were a lot of detailed ideas on competition, including that of a supermarket regulator. We believed that the current code of conduct does not go far enough in encouraging supermarkets to take a full role in considering the opportunities from local food supplies.

It is fair to say that, since our report was published, there has been a lot of debate in the media and rural communities about some of these issues and how we take them forward. Over the past few months, most members have probably been lobbied by a major supermarket chain wanting to show off its local food supply and tell us the good stories coming from its supermarkets. Several months on from our inquiry, I think that the committee very much welcomes that but does not want it to be a one-off. We do not want to be told good stories just this year; we would like those good stories to continue.

Our retail industry faces a challenge in working together with the farming community to improve the quality of networking in the farming community—particularly through food co-ops and farmers co-ops. We look for the retail industry to be keen to promote local produce and to be keen for local produce to be retained in Scotland and for more food processing to take place in Scotland.

We wanted to put a range of issues on the table. I very much look forward to hearing how the Executive has developed the agenda since our report was published several months ago. We received positive feedback from the Executive on some matters, such as procurement and support for rural businesses, but we would like the Executive to go further on other matters.

We should take opportunities from the procurement pilots and build them in with the bricks, so that every time a hospital contract for food is produced or somebody looks for a supply chain for a school, a process is followed that gives local food producers a chance to be part of the market and does not exclude them on the ground of scale.

The report contains many messages. I hope that the minister will also take forward our comments about the European Union's rules and regulations as part of future discussions in Europe.

I move,

That the Parliament notes the conclusions and recommendations contained in the Environment and Rural Development Committee's 8th Report, 2006 (Session 2): *Report on an Inquiry into the Food Supply Chain* (SP Paper 595).

14:16

The Minister for Environment and Rural Development (Ross Finnie): I thank the committee for its report, which is on the food chain, although by delving into that subject, the committee inevitably embraced a range of other issues that were raised by the many witnesses who were called.

As Sarah Boyack said in her excellent speech on her committee's report, there is no doubt that the workings of the food chain are complex. I am cautious about one point. I am responsible in the Executive for agriculture and food and it is clear that the Executive can do much work, but I make it clear that we are talking about a market process, so we are considering inefficiencies in the market and deficiencies in the market process. We should be careful about the extent to which the Government, on its own, can automatically interfere with that process.

Stewart Stevenson (Banff and Buchan) (SNP): The minister will be aware of the Welsh Assembly Government's modest intervention, in that it seeks to buy locally for Government purposes. Has he talked to the Welsh Assembly Government? Is he minded to follow processes and practices that it has successfully followed within European rules?

Ross Finnie: I have talked to the Welsh Assembly Government—I will return to that subject.

I will focus on the size and scale of the market. If we are to have successful food and agricultural industries, we must be clear about where the major element of the market is. We must also be clear about the fact that although we use the phrase "the food chain", it can be divided into two broad headings. Fresh produce that is sold as such and goes through only an intermediate stage follows a different process from goods and services that are sold on to be processed for added-value purposes.

We have experience of examining the issue—Rhona Brankin and I and our department have been exercised about it for some time. If we are talking about the food chain, we should not focus exclusively on agriculture; we should consider the difficulties that face fisheries markets, including the pressures on their food chain from landing a fresh perishable product that cannot be withdrawn from the market.

The vegetable market has been mentioned and evidence was heard on it. Even in that market, we know from the work that we have done, including work with the Scottish Agricultural Organisation Society, that the potato sector in Scotland has one of the better collaborative food chains. However, in the brassica sector—to which Sarah Boyack

referred—the low price and the immediate change in terms and conditions were a severe problem this summer.

Meat is not a simple, one-size-fits-all sector. The sector is divided into red and white meat and its organisation is quite complicated. The sector deals with the supermarket sector to a huge extent.

Mr Jamie McGrigor (Highlands and Islands) (Con): Can the minister tell me how much red meat we import?

Ross Finnie: I might have to get the member an accurate figure for that later, but if I am right, the United Kingdom is not self-sufficient in red meat—that is quite interesting in relation to the prospects of obtaining a price for the product and making a return on it. Sarah Boyack made the point about the viability of particular farms.

The Executive is working with the food chain in our fisheries projects and we facilitate the work of industry-led working groups, which are very exercised at the moment. A key component of our agricultural strategy is a working group that is made up of representatives from right up and down the chain such as farmers and people from the processing sector and the large retailers.

SAOS has been leading collaborative work on the food chain and we are building on that. The committee's report referred to the development of co-operatives in Scotland. In fact, we are quite advanced in the number of co-operatives that we have, and they are also promoted by SAOS.

Talking of co-operatives, collaborative work and vertical integration brings us to the milk industry. As Sarah Boyack pointed out, the milk industry is enormously complex. Mike Rumbles asked where the money goes, but it is not so much about that. Comparisons between this country and America or Europe show that relative supermarket prices and the prices obtained by farmers are not materially different. The materially different factor is that in those other countries—particularly in mainland Europe—a large proportion of milk goes into value-added products, whereas in this country, the proportion of milk that is sold as fresh milk is substantial. This country is bedevilled by lack of vertical integration. As long as our competition authorities continue to define small parts of Scotland as a market, I neither know nor understand how the milk industry will ever achieve that necessary, sustainable vertical integration.

Alex Fergusson: I hear exactly what the minister is saying; indeed, he said some of it in response to a parliamentary question that I asked a couple of weeks ago. Nonetheless, recent negotiations in this country have led to an increase in the shelf price of milk of 1p or even 2p per litre but to a reduction to the primary producer of a half or even three-quarters of a pence per litre. Clearly

there is something wrong there, and it must be fairly obvious where the money has gone in such cases.

Ross Finnie: That is not a question of where the money has gone but it shows that negotiation up and down the chain is exclusively between the processor and the retailer. We share the committee's concern that there is a total absence of collaboration with the primary producer.

From the consumer end of the food chain, we are looking down a different lens. We directly fund farmers markets and are very keen to increase the amount of goods that are of local provenance. However, we must be careful. Five million people are not enough for us to have a financially successful agricultural sector. Although I agree wholly about the undesirable amount of international air miles that food can travel, we need to be able to penetrate the English market and those of some of our near European neighbours. I have not heard of anyone who thought that it was not a good thing to resume beef exports and, believe you me, when I was in Bologna, I was not asking the people to buy local. We have to be careful and strike a balance between the two key objectives. We also have to understand that many opportunities come from consumers showing a clear preference for more differentiated products.

Mr Mark Ruskell (Mid Scotland and Fife) (Green): Will the minister take an intervention?

Ross Finnie: No, I must conclude.

On public procurement, as I said in our formal response to the committee and as Sarah Boyack has rightly pointed out, we changed the guidelines in 2004 and, after research into what the barriers were, in 2006 we rolled out the evaluation of the East Ayrshire project. We are determined that all those findings should be rolled out across Scotland, so we should be able to do more.

Finally, our submission to the Competition Commission makes clear our concern, which the committee shared in its conclusions, about the lack of transparency up and down the food chain. Mike Rumbles and everyone else should be able to see—without being given private and confidential information—what is happening in the food chain. We made that point to the Competition Commission's inquiry and I encourage others to do so also. As the committee convener said, people have been reluctant to come forward but we will not get a better answer unless we provide the evidence. We need to find the means whereby those who feel aggrieved by competition pressures in the food chain are able to express that.

We welcome the committee's report. At both ministerial and official level, we are very heavily engaged across the diverse nature of the food

chain. We are absolutely determined that Scottish agriculture should, over the medium term, become much less subsidy dependent. Ultimately, it will need to survive in a market, but that market must not be dominated; it must be a market in which openness and accessibility allow the farmer to be much more proactive and much more collaborative because of the way in which the food chain works. The same should apply to those at the other end of the food chain—this is not a one-way street. I believe that the report helps to direct us to where we should be going. I am absolutely clear that we in the Government are fully engaged in the process. I welcome the committee's report.

14:27

Richard Lochhead (Moray) (SNP): The SNP very much welcomes today's debate and the committee's report.

Scotland has a reputation for being a superb food-producing nation. When food producers such as farmers and others warn us that that reputation and the very industry is being jeopardised, the Parliament has a duty to sit up and take notice. The Environment and Rural Development Committee certainly took on that task and, as Sarah Boyack mentioned in her opening speech on behalf of the committee, many of the issues are highlighted in its report.

Today's news mentions that Tesco now commands nearly one third of the United Kingdom's grocery market and that its half-yearly pre-tax profits are up by 12.5 per cent. A key theme in today's debate will be that the primary producers, on whom our supermarkets largely depend, will not record similar increases in their profit margins or in their half-yearly figures.

Ross Finnie: We need to be careful. The member refers to profit margins. My understanding from this morning's reports is that Tesco's turnover has increased by 12.7 per cent and its profits have gone up by 12.5 per cent. I accept that it is dangerous for one supermarket to occupy a third of the market, but it is not right to conclude that Tesco's margins have gone up. The member is wrong to accuse Tesco of exploitation on that basis.

Richard Lochhead: I appreciate the minister's defence of the supermarkets, but I ask him to allow me to develop my point. Our primary producers in Scotland will not record similar increases in their profits because they are at the bottom of the supply chain. In many cases, the supermarkets are increasing profits by squeezing those who are further down the chain. That is the crux of the issue that the committee investigated and of the general debate that is taking place in Scotland about dominance in the marketplace.

We need to protect Scotland's food and drink industry. We are all aware of its importance and economic value. It puts Scotland on the map for excellent produce around the world. This country produces healthy, good-quality food and, at a time when we are debating Scotland's diet and eating habits, we should also be talking about protecting and promoting the sector.

Food security needs to be part of the debate. It is important for any nation to ensure that, in so far as is possible, it can maintain food security and not simply rely on food imports. That is particularly important at a time of environmental considerations and climate change. We know that we can cut food miles by increasing our purchasing of local food. That issue has been raised with the minister time and again in relation to public procurement.

We must protect our indigenous food businesses but, as the minister rightly says, we must also understand that there is a marketplace. Our businesses can survive on quality, because in many cases they offer quality produce, but they must be able to compete on a level playing field. The debate is about abuse by supermarkets, which have so much power in the marketplace. At the same time, we must recognise that consumers vote with their feet. They want convenience and, in many cases, a good price—perhaps the lowest price. We know that supermarkets are here to stay. The challenge that faces the Parliament and regulatory bodies lies in ensuring that our primary producers, consumers and supermarkets can all survive on a level playing field and in partnership.

We must ensure that consumers are made aware of why they pay lower prices in many cases. That is why transparency is so important in this debate. One way in which we can empower suppliers is to ensure that consumers have full information, so that they can buy in full knowledge of exactly what they are paying for and of who is getting the profit.

We are aware of the fact that the supermarkets have been abusing their power. It is a ridiculous situation when the Environment and Rural Development Committee has to take evidence from farmers on an anonymous basis. That speaks volumes about the relationship between food producers and supermarkets in today's society. In this age of openness and transparency, people should not have to give evidence anonymously to a parliamentary committee because, as they pointed out to the committee, the relationship between the supermarkets and their suppliers is often characterised by blackballing and bullying. That is wholly unacceptable. Some supermarkets, although perhaps not all of them—we must find out which supermarkets are doing

it—are abusing their massive power in the marketplace.

As other members have mentioned, milk producers are being paid less than the cost of production and are being put out of business. That is wholly unacceptable and must stop. We must ensure that there is transparency, so that consumers know that producers, rather than the supermarkets, are picking up the tab for two-for-one promotions. It is unacceptable that in many cases there are no binding contracts between suppliers and supermarkets. That is a ludicrous situation. Supermarkets can simply phone up suppliers to tell them to change or cancel orders without notice, although a supplier may be dependent on such orders for survival. Proper contracts must be put in place. The committee was convinced that such things are happening and that the problems need to be addressed.

In the little time that I have left, I can make only one or two more points. I urge the minister not to rely on the Competition Commission. He should not think that he can get himself off the hook by passing the buck to the commission. We need proactive action on the issue from Scotland's responsible minister. Time and again, the SNP has made the point that the minister should get together with supermarket chiefs in Scotland to discuss the issue in an open and transparent manner, to ensure that the public know that he is taking the issue seriously and doing something about it. Regulation is required and we must ensure that it is introduced. We must also ensure that the minister uses public procurement to support local produce. He has a massive budget, which should be used to buy such produce.

My closing message to the minister is that he should pick up the cudgels and get tough with the supermarkets. He should talk to them on the issue so that we can deliver a much better deal not only to suppliers in Scotland, but to consumers.

14:34

Mr Ted Brocklebank (Mid Scotland and Fife) (Con): As both Sarah Boyack and Richard Lochhead said, one of the most disturbing aspects of the committee's inquiry into the food supply chain was that many producers who wished to give evidence would do so only if their names and businesses were not identified to the supermarkets. We heard allegations of price imposition and a take-it-or-leave-it attitude by the supermarkets to producers, who all too often were left to carry the risks. The minister talked about markets, and as Conservatives we broadly support market forces. However, sometimes markets can become skewed. The balance of power between supermarkets and producers now seems to be tilted too heavily in favour of the supermarkets.

In evidence, the committee heard about supermarkets changing prices and volumes on a weekly basis. Often farmers were working on the basis of what they thought was a fixed price, only to find that the buyers forced down the price after farmers had sustained their costs.

Stewart Stevenson: Is that the Conservatives' way of apologising to milk farmers in Scotland for the abolition of the milk marketing boards?

Mr Brocklebank: I will speak about milk farmers in a moment. Whatever responsibility the Conservatives had, Alex Fergusson and I will be delighted to take it.

Sarah Boyack and Mike Rumbles mentioned the difficulties of getting answers to key questions about profits in the milk sector, but we can be sure of one thing—the producers were not making excessive profits. In the past five years, six out of 10 Scottish dairy farmers failed to cover costs. As a result, no fewer than 700 family farms—a quarter of Scotland's total—have gone out of production.

In north-east Fife where I come from, farmer Robert Balfour, allegedly one of the most efficient producers in Europe, quit the milk sector in November last year. In Dumfries and Galloway, where there is little scope for diversification, farmers are trapped in a spiral of economic decline from which there appears to be no escape.

It is neither acceptable nor does it make business sense for the supermarkets to squeeze producers out of business with punitive margins.

Christine May (Central Fife) (Lab): What will the new Conservative party offer to the market this time next year?

Mr Brocklebank: I will be happy to address that as I develop my speech.

Alex Fergusson: Next year when we are in the Executive, that is.

Mr Brocklebank: Indeed.

As we heard, the committee was frustrated in coming up with clear answers to many of the questions that we asked. As we know, the Competition Commission recently took evidence in Scotland as part of what I believe was the Office of Fair Trading's third grocery market investigation. I have little confidence that it will be any more successful than our committee's investigation.

I come to Christine May's point. An important part of creating a more even playing field is for farmers and food producers to create more market power by adding value to their primary product by means of co-operatives and collaborative supply chains. An incoming Conservative Executive would want to follow that particular route.

The Executive must use every means to promote the procurement of local produce and to provide guidelines to ensure that locally produced food is used locally. It must think more creatively about applying existing procurement rules throughout the public sector. The Executive must ensure that we enjoy the same advantages as our European competitors under European Union procurement rules on local sourcing. As we heard, although Scotland has some of the finest meat, vegetables and dairy produce in the world, all too often we cannot buy it in our local supermarkets. That is wrong and must be addressed.

The Executive must encourage the development of farmers markets, which have really taken off, and other direct marketing to ensure quality and contribution to town centre viability.

Without doubt, the major supermarket groups have been hugely successful and consumers vote with their feet when they shop there. However, as a Conservative I am concerned by two aspects of the supermarkets' policy, the first of which is their apparent ability to use planning laws to purchase land holdings to prevent competitors from opening up. For example, is it fair that Tesco is set to operate four supermarkets in Inverness? Are there not other competitors in Inverness that would provide a more open market? Secondly, there is the supermarkets' growing incursion into the convenience store sector.

Conservatives believe that we must protect small independent shops, which must not be forced out by the pricing and planning tactics of the giant multiples. We want to work with small independent retailers to help them address the challenges that they face in a changing consumer market. In St Andrews where I live, we are fortunate still to have an excellent local butcher and fishmonger, but for how much longer is anyone's guess. We also have three supermarkets. It is not always cheaper to shop at the supermarket than to buy from the local producer—less expensive meat and fish come from local independents. To that end, as some members might have read in the press, our manifesto for next year's Scottish parliamentary elections is likely to include major business rate concessions for small businesses.

It is in no one's interests—not the small food retailers or the Scots farmers, and certainly not the consumers or the supermarkets—to allow supermarkets unfettered control of the supply chain. The Executive continues to wring its hands over the growing power of the supermarkets. The time is long overdue for answers and actions.

14:40

Maureen Macmillan (Highlands and Islands) (Lab): The committee's inquiry and report on the

food supply chain has confirmed what many of us believed: the policies of many, but not all, of the supermarkets could destroy food producers in Scotland.

Something is badly wrong with the system when contracts are sometimes binding on the farmers' side, but not on the supermarkets' side; when the cost of the two-for-one offers is often borne by the producer rather than the supermarket—incidentally, such offers are the source of the unacceptably high wastage of food in this country; when dairy farmers have to sell their milk at below the cost of production; and when farmers and suppliers are afraid to name names publicly for fear of being blacklisted. There is no transparency and no fairness. The dice are loaded in favour of the supermarkets and a new code of practice is urgently needed.

Cheap food for the consumer is a laudable aim, but it should not be pursued to the exclusion of consideration of quality, the distance travelled and welfare conditions for animals. The health, safety and remuneration of those who produce our food must also not be neglected, nor can we ignore the subsidies for the overproduction of food in the EU, which is then dumped on the third world.

Let us consider some anomalies. Organic beef is brought from Argentina to Scottish supermarkets. How many food miles are involved in that? Tiger prawns are brought more than 7,000 miles from Indonesia, while our own fresh langoustines are absent from supermarket shelves because they are being driven to Spain. Flowers—I know that they are not strictly food—are grown in Africa, with workers exposed to dangerous insecticides and pesticides. Vegetables and chickens that are produced in the EU are dumped on west Africa, which destroys the livelihoods of local growers.

Is organic acceptable if it is flown halfway round the world? The boom in demand for organic produce should be, but cannot be, met by our farmers when it comes to beef, milk or vegetables. Sometimes that is because farmers do not have the get up and go to go organic, but it is also because farmers cannot afford to invest in organics when profits for supplying supermarkets are cut to the bone and Executive support is based on competitive bidding for a fairly measly sum.

Alex Fergusson: I am sure that Maureen Macmillan accepts that there is vegetarian input to much of the demand for organic produce. Where in Scotland would she grow organic cashew nuts?

Maureen Macmillan: That is not the point. What can be grown here should be grown organic; I do not object to importing organic cashew nuts.

Importing produce in such a way if we can grow our own is not acceptable, but as far as I am concerned it is acceptable if we cannot grow our own. I do not object to our importing food that we cannot buy here, but I ask members to buy fair trade goods; I am sure they all do that anyway. Buying fair trade cashew nuts—it is possible to do so, by the way—tropical fruit, coffee, tea or sugar is a good way of helping businesses and co-operatives in the third world to thrive. It guarantees rights at work and health and safety for workers. I have heard it argued that the fair trade agenda is counter to our desire to cut down on food miles, but they can co-exist.

It is said that local will be the new organic, but that is not entirely true. I would not eat a locally produced battery egg, but I would eat a non-organic local cabbage rather than an organic cabbage that had been imported from Holland. We must sort ourselves out as food consumers. We should know where our food comes from and make informed decisions. We must support and invest in our farmers, food producers and suppliers, not only by supporting farmers markets and shopping in local butchers and greengrocers, but by using Government procurement as a tool for investment. The Competition Commission must realise that its focus needs to shift. It must realise the danger to our food industry if profit is cut to the bone.

Yesterday, Tesco announced pre-tax profits of £1.09 billion after taking more than £17 billion from UK shoppers in six months. I know that Ross Finnie and Richard Lochhead have argued about what that means or implies, but I think that it implies an imbalance between the supermarkets' power and the farmers' power. One commentator said that Tesco focuses on what people will want tomorrow. I hope that Tesco is listening to what we are saying today about what we want tomorrow. We are saying that we need a fairer world for our food producers. We need more local food and more locally grown organic food on supermarket shelves. We also need imported food to be fair trade food, as far as possible. That is the kind of food supply chain that we wish to see tomorrow.

The Presiding Officer: We move to the open debate. If members stick to six minutes, including interventions, I will just about get everyone in.

14:45

Christine Grahame (South of Scotland) (SNP): I may very well be short of six minutes, Presiding Officer.

I want to pick up on four points: the role of supermarkets; procurement; local food economies; and the concept of the food surplus agency, to which Sarah Boyack referred.

The minister is right to say that the food supply chain is a market and that one must intervene in it with caution. However, there is no doubt that supermarkets cause an imbalance in the chain. On page 7 of the committee's report, the word "control" is used to describe the supermarkets' dominance. The report says that supermarkets

"control over 70% of food retailing".

I was unaware of the fact that anonymous evidence was given on the issue. As Richard Lochhead said, that speaks volumes.

I do not think that the report refers to how the supermarkets' control determines what food is grown. I remember many years ago going down to see the Clydesdale tomato co-operatives—unfortunately, only one of them now grows tomatoes—where it was explained to me that a supermarket sent them various test varieties for growing seed plants. When they were grown, the supermarket chose a variety not for the taste but for its appearance. The vine tomatoes that are in the supermarkets look so pretty. They all have the same deep red colour and are all the same size, but that is not how nature grows fruit. However, that is the kind of fruit that supermarkets offer.

Supermarkets control varieties of all kinds of fruit and vegetables and we are losing many tasty varieties as a result. The supermarkets also sell standardised meat products, so a bigger issue is involved. It is true that people are voting with their trolleys. However, as Maureen Macmillan said, an educational issue is involved. People need to know about animal welfare—for example, the condition of battery hens. Supermarkets determine what appears on their shelves through what appears on their till rolls. They can see what is being bought in volume. If something is not being bought in sufficient volume, it disappears from the shelves and choice begins to narrow. There is certainly an issue about educating the public.

We have all taken advantage of buy-one-get-one-free offers and two for the price of one, although we do not need two. How much of that food is discarded? For example, I might buy two cauliflowers, but I can eat only so much cauliflower in a week. That is particularly the case for people who live alone, compared with other households. There is an issue about false economies. If the price cuts are being borne by producers, that is wrong. We do not need such offers, which are often false promotions.

I want to pick up on what Stewart Stevenson said about the National Assembly for Wales with regard to procurement. First, though, I refer the minister to my so far ineffectual efforts to get the Parliament, through the Scottish Parliamentary Corporate Body, to buy local Scottish produce. We keep bumping our head against the European

procurement rules. It is my understanding that health boards—or whatever they are—in Wales have somehow managed to do what I have described previously to the minister as creative contracting. The minister was rather taken aback by that idea and thought that it might be illegal. However, I think that creative contracting should be built into contracts, particularly public sector contracts, so that local produce can be bought.

I understand that Orkney Islands Council managed to do some creative contracting by ensuring that what it does promotes remote and rural areas. That means that it does not have to buy imports. In recommendation 46 of its report, the Environment and Rural Development Committee recommends that

“the Executive considers how it can use its contacts with supermarkets to influence their contract practices.”

The committee also requests in the report that

“the Executive reports to it on how it can work to secure further emphasis on local sourcing in EU procurement rules”.

It cannot be beyond the wit of the minister and his team to try to make this Parliament a model that can promote what the committee requests.

I want to talk about local food economies. There was a recent members’ business debate on farmers markets. They are small beer at the moment, but they are very useful. In an initiative in Peebles—I had to bring the Borders into it—a local restaurant is sourcing everything locally. It gets the meat, vegetables and fruit locally, and it makes the bread. On this side of the chamber, we aim to improve the business rates for small businesses, and I would like to know whether there is another way in which the Scottish Government can assist local businesses to buy locally—especially restaurants that are promoting local produce.

I would call a food surplus agency the ugly fruit and vegetable shop. I would be all for it. It is a nonsense that four baking potatoes all have to be the same size and shape, or that all carrots have to look the same, or apples. Often the tastiest ones are the ones that do not look like that. There has been a huge impact on what tomato producers have to bring out, and we are losing taste. I am all for an ugly fruit and vegetable shop, with reduced prices, and I will be there shopping without my supermarket trolley.

14:51

Mr Mark Ruskell (Mid Scotland and Fife) (Green): Since the Greens first raised the issue of supermarket power in the chamber in 2004, the situation for the farming industry has not improved. However, I sense that the political consensus on rebalancing the supply chain in favour of producers has become stronger. That is reflected

in the Environment and Rural Development Committee’s report.

I was proud to take part in the committee inquiry. It was an excellent example of what the Parliament can achieve consensually through a short inquiry. The report will not sit on the shelf. The committee came up with conclusions that, as Sarah Boyack has said, have already fed into the Competition Commission’s grocery inquiry, which a number of us gave evidence to last month.

Over the past few years, I have seen desperation in the faces of farmers. I have seen it outside the milk distribution depots at 6 in the morning, where farmers have had to sink to the low of taking direct action to obtain trade justice; I have seen it in the faces of the farmers who came to the committee to give evidence. As we have heard, part of that evidence was heard in private—behind closed doors and not covered in the *Official Report*—because of the fear of reprisals from supermarkets and processors.

How can anybody tell a dairy farmer who is being paid less than the cost of production that they are getting a good deal? The supermarkets have a powerful relationship with processors that enables those two parts of the chain to dominate producers. Milk prices are a good example. The milk price rise that retailers announced with a flourish was billed as a boost to farmers, but the money never made it back through the supply chain to the producers. The British Retail Consortium gave evidence to the committee and told us that, somewhere along the line, the money had “run into the sand”. We were unable to find out where that money had gone; the Environment, Food and Rural Affairs Committee at Westminster was unable to find out either.

There are lots of ways in which profits get stuck to the sides of the supply chain, as the British Retail Consortium has said in the past. For example, there are paybacks from processors to retailers for packaging design, and there is rent for shelf space. Whatever way we look at it, the farmer is being paid less than the cost of production. That is nothing short of theft.

The price cuts for dairy farmers that followed the retail price increases are still happening. Recently, Asda cut the price yet again—and farmers will no doubt be out at dawn protesting again, livelihoods will be crushed again, and the fabric of our rural communities will suffer yet another blow.

I want to highlight two ways in which we can combat the problem. First, we need a fairer code of conduct that applies not only to the retailers but throughout the supply chain. It needs to clarify terms such as “reasonable notice” in respect of order cancellations—such terms are a gift for corporate lawyers—and it needs to ensure fair

trade and a level playing field in our supply chains. The code also needs to be enforced by a regulator who can act as an independent ombudsman and who can proactively spot-check the relationships in the food supply chain as the norm, rather than being called in by producers who, of course, are rightly scared of reprisals and delisting.

Secondly, we should support the development of producer co-operatives—not just through the work of the Scottish Agricultural Organisation Society, which needs to be built on, but through the definition of markets that allow the co-ops to take their fair market share unchallenged by competition authorities.

It is outrageous that Tesco is allowed to maintain a 51 per cent market share in grocery retail in Inverness, but that when a farmers co-op tries to get 25 per cent of the milk market along the M8 corridor, that is deemed to be anti-competitive. Those supporters of the supermarkets who argue that the low price of milk is a result of the link with the global commodity price for processed milk cannot also argue that the market boundary for the milk market is the M8 corridor, because that simply does not make sense.

In our report, the committee highlights many other developments in Scotland that need to be supported. Ultimately, the building of a vibrant local food economy that connects consumer with producer through a short supply chain that maximises local wealth retention and minimises environmental impact is the vision around which we must unite. Public procurement will and should have a key role to play in the development of the local food economy. The use of the public pound in that way is vital. As well as dismantling those barriers that prevent that from happening, we must stimulate good practice.

Along the way, it is essential that we ensure that when power is wielded unfairly—which is ostensibly the case with the supermarkets—there is regulation to level the playing field. Ministers must continue to use their influence to achieve trade justice for Scottish farmers in the months and years ahead.

14:56

Christine May (Central Fife) (Lab): I, too, welcome the opportunity to debate an issue that not only affects a major part of the Scottish economy—in Fife, food production accounts for 1.5 per cent of the economy, which is almost the national average—but which has a vital role to play in making Scotland a healthier place to live and in improving the health of our population.

In common with many other members, when I did my research for the debate, I came across the

same issues that are identified in the committee's report and the same fear among primary producers of having their comments attributed to them, on the ground that that could lead to blacklisting and so on. That must be a serious concern for us all.

Today I want to talk about carrots. I was told that to attempt to shed light on the subject by talking about carrots was a little contrived; that may turn out to be the case, but there is a purpose to it. I remind members of my entry in the register of members' interests, which states that, as well as being a member of the Labour Party, I am a member of the Co-operative Party.

Many of the producers to whom I spoke strongly supported the idea of an independent regulator. They liked the idea of someone who could bring some weight to bear on the problem of the back-door pressure that they come under.

Another concern that producers had—which I know that the minister is aware of—related to the availability of potential aids through the Scottish Executive. For example, they felt that the rural stewardship scheme had turned into a stick for many people who had spent money trying to become new beneficiaries of it. Perhaps they could not benefit from such schemes because so much of the funding for agriculture and environment had been committed that there was no room for new entries. I would like the minister to say how that situation could be improved.

Mr McGrigor: Does the member agree that some of the people who could not get into those schemes had paid the modulation tax that was meant to fund them?

Christine May: Modulation payments are a separate issue and I am not sure that I would agree that they are a tax.

There is a great temptation just to bash the supermarkets and to blame them for everything. We should be concentrating on some of the suggestions in the Executive's response to the committee's report. We should be examining what methods exist to combat the power of the supermarkets. I make no apology for suggesting that the Co-op is one such vehicle. In 2004, it published a report entitled "Shopping with Attitude". As a direct result of the survey that formed part of that report, the Co-op decided to set for itself a number of goals, one of which was to

"Work with more regional and local suppliers to deliver local economic value and reduce environmental impact, setting targets for the amount of local produce in stores."

For the Co-op, the term "local" can be applied only to products that come from within a 30-mile radius of where they are sold. That means that strawberries that are grown in Blairgowrie by

Farmcare—which itself is a co-operative—are now sold in Co-op outlets in Scotland. The policy applies not only in the Co-operative Group, but in co-operative societies such as the Scottish Midland Co-operative Society and the Lothian, Borders and Angus Co-operative Society, for which Scottish products are integral to the product range.

By working in partnership with producers, the Co-op can contribute to sustainable local enterprise that benefits producers, local consumers and the local economy. Further evidence of the benefits of working together comes from the few instances in which producers have got together with the processors and said to the supermarkets, “No; not enough.” One supermarket is reputed to have been left with empty shelves as a result, which of course supermarkets do not want. That has resulted in a price increase. The processors have more power than they believed they had 12 months ago. If they can sink their differences with the suppliers, they can make progress. In Fife and Tayside, 57 producers have joined with Kettle Produce to form what I believe is the largest food-producing co-operative in the United Kingdom, which has secured a three-year contract to supply all Sainsbury’s carrots. That provides security not only for Kettle Produce, but for the farmers who grow the carrots, many of whom are my constituents and who have spoken to me about the issues.

Finally, I would like to mention one matter that is not covered in the committee’s report but which was raised with me today, unexpectedly. Most of the malting barley that is grown in Scotland is grown in my constituency and goes to Diageo to make some very nice products; that production also happens in my constituency and employs 800 people. However, the barley goes south to Berwick to be malted. Similarly, most of the vegetables from Kettle Produce go south to penetrate the English supply chain. All that produce goes over the Forth road bridge. For industries that cannot move, the prospect of the bridge being closed to lorries in four years’ time causes huge concern. Will the minister meet me and the chairman of that local co-operative to discuss those concerns?

15:02

Mr Jamie McGrigor (Highlands and Islands) (Con): I declare an interest as the owner of a hill farm in Argyll that still produces store sheep and beef cattle. I welcome the debate, which is on a subject vital to my region of the Highlands and Islands and other parts of rural Scotland. All the constituencies in my region produce high-quality food and drink. Although the whisky industry is

apparently doing all right, our producers of beef and sheep—famous Scottish industries—are going bust. That is because prices in markets are still at 1980s levels, while costs have soared. I admit that the businesses receive subsidies, but producers are still going bust.

Last week, I visited Dalmally auction market in my home county of Argyll, where I saw correct cast ewes selling for as little as £10 per animal and some feeder ewes selling for as little as £5. It is hardly worth taking animals to market at those prices. Sheep farmers are wringing their hands in despair wondering how they can tighten their belts even further to survive another year. The lamb price may have been slightly up on the previous year, but, to be honest, it would have to double to give hill farmers a fair income and allow them to reinvest in improving their land and livestock.

The number of animals in the Highlands and Islands is already dropping dramatically. For example, the number of animals entered at the lamb sales in Lairg in Sutherland, which is the most famous market for north country Cheviot sheep in Scotland, has declined hugely. The number of sheep in the Western Isles and Shetland has almost halved in the past 10 to 15 years and the number of cattle is going the same way. It is impossible to meet sustainably the costs of over-wintering animals, when all the costs have gone up but prices for the product have remained static for 20 years. That seems doubly unfair to farmers and crofters, who see the prices supermarkets charge for beef and lamb, much of which appears to be imported from countries with poorer animal welfare regimes. I have asked the minister what percentage of red meat we import.

The same story comes to me from Dingwall market in Ross-shire, which is the main centre of livestock agriculture in the north. Obviously, the livestock auction companies themselves suffer as a result of a drop in prices and numbers. If we consider the transport companies, all the feed suppliers and those who sell animal dips and medicines, it is easy to see why that disastrous slump in agriculture is affecting a huge part of the economy in the Highlands and Islands. We must remember that one in 10 of all Scottish jobs is dependent on agriculture.

I have heard Mr Finnie committing himself to a prosperous future for Scottish farmers and crofters. I have heard him talk about bringing added value to the food chain. I do not doubt his sincerity, but the situation has worsened progressively since devolution. I speak from practical experience, as do others all the way from Shetland to Campbeltown. One area of livestock farming that used to stand alone as remaining profitable when others were failing was the dairy sector. However, I have spoken to the dairy

farmers of Kintyre, Islay and elsewhere and it is obvious that that sector is also in the doldrums. That is why I note with interest that the Environment and Rural Development Committee, in its summary of recommendations, requests that the minister explain in detail how the revised agriculture strategy will contribute to farmers and food processors being able to create more market power and increase margins by adding value to the primary product, which they need to do. I ask the minister to explain that now, or as soon as possible, because hill farmers are desperate to know how his plans will affect their futures. For example, the Executive talks about its concern to minimise the regulatory burden but as far as I can tell there is, disappointingly, no commitment actually to cut or ease any existing regulations.

The primary producers of beef and lamb off the hill areas of the Highlands and Islands have always concentrated on providing the best possible product that the fodder from disadvantaged land can create. They have to import expensive winter keep. They have to buy expensive medicines to improve animal welfare and they endeavour to stay inside numerous new Government regulations. Surely it is only fair that those unrecognised stewards of our much-acclaimed open Highland landscape, which is so valuable to our tourist trade, survive. Without those farmers and their animals that graze our landscape, the picture-postcard perfection of the Highlands and Islands would degenerate into a tick-infested tundra that is difficult to walk through.

Those hill animals have traditionally been sold through store markets to low-ground farmers with better land, who can fatten the animals and thus make themselves a profit at a later stage. That agricultural system has held Scotland in good stead for a long time, but if the primary producers of quality beef and lamb in the Highlands and Islands do not get enough of a share of the cake to be sustainable, the system will collapse and the land on our hills will no longer be properly looked after. That is the danger facing us. The skills learned over generations in livestock handling, dog handling, fencing, stone walling, draining and land improvement will melt away like snow off a dyke and it will be blamed on a Government that has failed our farming industry by ignoring the crisis and failing to plan a proper food chain strategy for Scotland that gives Scottish hill farmers a fair deal.

15:08

Mr Andrew Arbuckle (Mid Scotland and Fife) (LD): I remind Jamie McGrigor that it was the arrival of sheep in the Highlands that helped to clear the human population.

If anyone doubted the relative strength of the links in the food chain, today's announcement by

supermarket giant Tesco of an expected annual profit well in excess of the annual output of all Scottish agriculture proves the imbalance. It is an imbalance that has come upon the Scottish food industry in the past decade, with more and more people shopping at major retailers, at the cost of local shops closing. It is an imbalance that has squeezed a great deal of profitability out of the primary producing sector, but it is also an imbalance that has given and continues to give customers access to a wide range of cheap food.

As the Environment and Rural Development Committee correctly identified, one of the major problems of the current imbalance is the fragmented nature of the Scottish farming industry. Scottish farmers have never been good co-operators, giving rise to the saying that the only time two farmers will work together is to conspire against a third. Thankfully, there is now greater collaboration within the farming industry, with more than three quarters of all produce leaving farms through co-operatives of one sort or another.

The industry has not been helped by schemes under the European Union's common agricultural policy, which helped to blunt the cutting marketing edge of producers over the last three decades of the 20th century. Eyes were taken off the market and its increasing demands in the pursuit of livestock and crop subsidies. At the same time, the growth of supermarkets continued apace to the point at which they not only choked out competitors in the retail trade but started to use bully-boy tactics to stop their suppliers speaking about the conditions of trade. I remind Mark Ruskell that that did not start in 2004, but has been going on for at least a decade. As a journalist over that time, I heard stories from producers that could not be confirmed for fear of reprisals because, as has been pointed out, the producer who comments publicly will no longer be a supplier.

Mr McGrigor: Will Andrew Arbuckle clarify whether he is insulting simply Fife farmers or all farmers in Scotland?

Mr Arbuckle: I am not insulting any farmers. I am a former farmer and a former reporter on agriculture and I have supported the farming industry all my life.

Producers have been told that they have to supply two for one next week and the supermarkets pay for only one. They have been told that the agreed price had to be slashed as part of a promotion. One local packer was told that his profit was too high and had a £3 million fine imposed on him because of that. Producers have been told that they will pay for shelf space for the product that the supermarkets buy from them.

The minister has acknowledged that those practices exist and that there is a need to address them. I hope that the Competition Commission is able to expose them, but the introduction of a regulator, as NFU Scotland proposes, will not improve the bargaining position or help to remove or even reduce the current misuse of market strengths because there are too few players in the field to prevent the source of any complaint from being identified quickly. There are basically only half a dozen major co-operative packers of meat, potatoes or vegetables and any complaint could quickly be traced back to them.

Mr Ruskell: Does Andrew Arbuckle acknowledge that, if an ombudsman was proactive in spot checking the supply chain, it would be difficult for any individual complaint from a producer to be sourced back because spot checks would be the norm?

Mr Arbuckle: The idea sounds good, but I do not believe that it is practical. I have tried to think it through and determine whether it is possible, but I do not believe that it is possible without complainers being identified. Remember that almost all produce can be traced back to source.

The supermarkets will change their ways only if consumers cease to go through their doors or, as Christine May has pointed out, go through other doors instead. That is why consumer support for a new initiative that supports high street shopping will hurt the majors more than any constraint that the Government imposes. Farmers markets are a good thing as far as they go and in the range of goods that they sell but, to be realistic, they represent only a small percentage of the food that is produced and consumed in Scotland. The answer to the present imbalance in the food supply chain does not lie in the organic sector; that is and will remain a niche market.

It is important to point out that, although I and others have lumped supermarkets into one grouping, one or two of the majors have a buying policy that takes into account the primary producer's need to remain profitable. It is also important to remember that, although today's debate is on the food supply chain, the same demolition of primary producers who supply the major retailers is going on in other markets, such as clothing or electrical goods. That is where the answer lies because, as that devastation spreads into other sectors, we can expect a wider backlash against the so-called super-supermarkets.

15:14

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

In the helpful briefing that it issued in advance of this debate, the Federation of Small Businesses

reminds us that three quarters of our land mass is under agriculture and that the landscape that we love to see is in the stewardship of our farmers, crofters and growers. The industry produces £2 billion a year, which is about 2 per cent of our gross domestic product and, with whisky, represents £2.4 billion in exports. Some 70,000 people are employed in agriculture in Scotland, which is approaching 10 per cent of our rural workforce. We know that it is important.

Ugly fruit and vegetables have been talked about. I am fortunate in that I am able to go to a shop in Longside in my constituency and buy, from a co-operative, ugly but deliciously tasty fruit. However, there is only one such co-operative in my large constituency and there is none in adjacent constituencies. Next week, when I come down for our party conference, I will be bringing beef from my constituency to my friend who has the great misfortune to live in the central belt. I will be doing so because, of course, the quality of the beef transcends the quality that is associated with the extremely local purchasing that is, perhaps, not sufficient to sustain our industries.

I will pose a few questions about how Governments behave. First, does the Italian Government buy Parma ham or Danish bacon? Secondly, does the French Government buy champagne or cava? I think that we know the answer to those questions. Thirdly, when the First Minister is stocking the drinks cupboard in Charlotte Square, does he buy Vat 69 or does he import that well known Indian whisky, Cat 69? Of course he does not buy the Indian whisky. In other words, there are ways in which one can specify something that is particularly local when one wants to buy it. Some things are within the rules because they come only from a local area. With regard to the Parliament, I propose that, the next time that Frank McAveety wants a scotch pie, he is able to order an Arbroath smokie scotch pie, because Arbroath smokies can come only from Arbroath. That will mean that he will be assured of a quality Scottish product that will meet his every need.

Ross Finnie: Does the member agree that, given that, as well as Arbroath smokies, certain sorts of lamb and beef also have protected geographical indicator status, a scotch pie might be more clearly identified by using the right product?

Stewart Stevenson: I direct the minister to Downies of Whitehills, that excellent fish processor in my constituency, where he may buy and enjoy precisely the product that I have described.

The minister makes precisely the point that I am making. Where there is a designation, there is a way in which we can use that designation to control the sources from which a contract may be

fulfilled. The bottom line is that we need to use imagination and energy to promote local sourcing within the rules of the European Union. I have given only some examples, of course. I look forward to Scottish venison receiving a designation and, with that in mind, say that if kids want to eat burgers in schools, perhaps they should be given venison burgers because they are healthier than some of the stuff that they currently eat.

Some health products are food related. For example, yesterday I was told that growing bog myrtle will yield £750 per hectare, yet the Executive offers farmers no support to diversify into that crop. There is a range of imaginative things that we can do. Indeed, they are the kind of things that political colleagues of our Government in Scotland have been seeking to do in Wales in order to promote the value of Welsh food and sustain and support local procurement. The committee makes the point quite forcibly in its report. Paragraph 28 reads:

"The Committee believes that the Executive must think creatively about procurement".

I do not expect all my remarks to be taken seriously or literally, but I make those points in order to engage the minds and sentiments of members with the issue and in the hope that that will encourage them to be similarly creative in thinking of ways in which we can proceed.

It is certainly a huge disgrace that so much waste comes from our supermarkets. They chuck food into the bin to the extent that, in parts of these islands, the freegan movement is operating, whereby people live solely by scavenging from supermarket bins. That tells us something about the waste that is intrinsic in the supermarket system.

I close on the subject of red tape and unnecessary costs for producers by highlighting once again some of the unhelpful activities of the Scottish Environment Protection Agency that put unnecessary costs on farmers. There have been fights over the use of tallow. That fight has been won, but the fights over road planings continue. Better co-ordination between producers, processors in the food chain and Government would certainly help.

15:21

Frances Curran (West of Scotland) (SSP): I read the Environment and Rural Development Committee's report with interest, particularly the part entitled "Influencing the operation of the market". I find it ironic that the Tories are coming out fighting on the issue. The regulation and structure of the market are mentioned throughout the report. I make the point that that is not just

about the supermarkets, although they are an important factor in the report because they supply a high percentage of food.

The report gives a number of examples of failure, and the evidence is interesting. The example of First Milk jumped out at me; it

"cited the loss of the sale of milk to schools as a factor in the reduction of consumption in the milk sector."

Apart from asking ministers to put pressure on the supermarkets, there are other measures that would effect a cultural change in the food chain so that more local produce is consumed in Scotland. The idea of public sector contracts for the supply of food should definitely be explored. That is an important issue that is relevant to local produce, but it is not just the market that we are discussing this afternoon. The big issue is political will, which is more important than the market.

That brings me to my proposal for a bill on free, healthy school meals—the school meals and snacks (Scotland) bill. The cost of the bill just for primary schools—it would be a lot more for secondary schools—is £73 million. Where should that money go? What produce should it buy? Is it possible that we could ensure that schoolchildren in Scotland eat healthy food that has been produced locally?

One of the big issues in public contracts is the enormous competition. There has been huge deregulation in the competitive market for school meals. I was at a conference in Hull last year and I met some of the people from local authorities who are responsible for the procurement contracts to provide school meals. They are well lobbied and taken out on trips. They are—I cannot think of the word—lulled, I suppose, by the big companies. I had one discussion about the supply of cheese to schools in England. There were massive orders. Given the cheese production in Scotland and the surplus milk production that we have, there is big scope there.

The committee's report states:

"The Committee believes that the Executive must think creatively about procurement, and produce clear objectives and procurement guidelines to ensure that locally-produced food is used locally."

I agree with that recommendation. The issue is about attitude. Is it the Executive's approach to say, "It's the market. It's Europe's rules"? We have heard that approach in relation to other things, such as Caledonian MacBrayne ferries. Is the Executive prepared to find a way to give local contracts to local producers?

Recently, I went to a seminar about school meals in Italy, which has some of the best school meals in Europe. They use quality food. In Rome, the procurement contract for school meals

ensures that 30 per cent of the food is organic and that almost all of it comes from within a 30-mile radius. If I am not mistaken, Italy is a member of the European Union.

The Rome city council has to work under the same rules that we do, so how on earth did it manage to do that? The seminar was on how it managed, and there are ways and means. The council introduced the word “fresh” into its contract and then stipulated what it meant by fresh produce. As a result, young people in primary and secondary schools in Rome are now eating healthy, organic food produced locally. Why can we not do that? We have the Isle of Arran. It is not on quite the same scale as Rome, but commendably it is aiming to ensure that more than half of the raw ingredients for school dinners come from local producers.

Infrastructure is a big issue. The report supports co-ops and says that we should develop them further. If there was the political will, we could reach the position of co-ops bidding for big contracts with schools. However, it is not just about schools, but about other food contracts that the Scottish Executive, hospitals and other public bodies put out to tender. With political will, we could have huge cultural change using that mechanism. Is there the political will to pass my proposed bill on free, healthy school meals? Is there the political will to do a Rome and tailor the procurement policies that we have for public food so that they benefit public producers? I am expecting an invitation from the NFUS to discuss my bill.

My free school meals bill, especially if it was extended to secondary schools, would help enormously and ensure that children in Scotland get healthy produce on their plates that comes from within 30 miles. That would benefit everybody.

15:26

Elaine Smith (Coatbridge and Chryston) (Lab): The Environment and Rural Development Committee’s inquiry into the food supply chain was short but interesting and informative. Once it was under way, it widened out somewhat, as we have heard.

As has been mentioned by other members, support for local food economies was promoted by witnesses from all parts of the food supply chain. There was particular emphasis on the need for high-quality Scottish produce to be marketed with a focus on its Scottishness rather than on trying to compete on price in global commodity markets. It is accepted that, although price is important, many consumers are prepared to pay a wee bit more for high-quality, locally produced foods.

The development of farmers markets has been discussed and during the inquiry it was raised as a positive initiative that can help both to reduce the dependence on big supermarket contracts and to offer a range of high-quality produce to people who might otherwise not have such access and choice. It is therefore disappointing that the farmers market in Coatbridge has withdrawn its monthly event after two years in the town centre. Several reasons have been cited for that, foremost among them being affordability for local people, but there were also cultural barriers surrounding the use of fresh produce.

The market has gone from Coatbridge, so I am pleased that the committee has recommended that the Scottish Executive report on the contribution of farmers markets and on what it is doing to support and co-ordinate their development. It is in everyone’s interests to ensure that farmers markets are not just the preserve of affluent suburbs or city centres. They should be enabled to have a viable presence in more economically deprived communities; the example of Coatbridge tells us that much more work has to be done. I note the Scottish Executive’s response and urge it to look again at the matter.

Another issue was raised by several witnesses, but a written submission by a woman called Valerie Carson struck me in particular. It related to what she called “ugly ducklings”. She talked about the emphasis on the cosmetic and uniform beauty of products—we have heard about that today—and is concerned about the waste that is created by items that do not conform. The suggestion was that the Scottish Executive could explore the idea of a food surplus agency for the public benefit. I know that committee convener Sarah Boyack mentioned that. I ask the Executive to consider the idea again. It would not deal with supermarket surplus, which FareShare helps with, but it would help when farmers have to destroy products that do not meet a certain standard perhaps because of a contract.

We all agree that public procurement policies could be better utilised, so it would be interesting to hear that the Scottish Executive is thinking again and more creatively about those policies to assist local food and drink producers. As the Scottish public’s awareness of healthy lifestyles is raised, more interest is shown in the sources of food, what is in it and its effect. That is due partly to Government effort, so it is important that the Government takes an interest.

15:30

Nora Radcliffe (Gordon) (LD): I apologise for missing the first part of the debate.

The short inquiry that the Environment and Rural Development Committee conducted in December 2005 was in response to widespread concerns about food supply chain issues. Perhaps it is worth reminding ourselves of how important the food and drink sector is to rural development. Scottish agriculture provides 36 per cent of inputs to the Scottish food manufacturing industry and 24 per cent of inputs to the food and drink manufacturing industry as a whole. About 40 per cent of jobs in the food and drink manufacturing business are in rural Scotland.

In the Liberal Democrat manifesto of 2003, we made commitments to support the Scottish food and drink industries by encouraging localised food distribution systems that involve more local processing of produce; to promote direct sales, farmers markets and alternative marketing schemes to ensure that producers have a stake in each stage of the food chain; and to support local food chains in order to reduce the number of food miles. Those issues were picked up in the inquiry and in the committee's recommendations. The committee recommended that the Executive use every possible avenue to promote procurement of local produce and it believes that the Executive should produce clear objectives and procurement guidelines to ensure that locally produced food is used.

Some work has been done on that. In 2005, the Executive published research into the opportunities and constraints in the public sector food procurement market. Subsequently, the food forum network has been used to bring potential suppliers and public sector procurement officers together to improve the information flow.

Further research has been commissioned to examine successful local food procurement models and to improve understanding of the practical issues for producers. There is good practice out there—East Ayrshire Council has adopted a procurement model that has improved the quality and freshness of ingredients and has reduced packaging waste and food miles, but which still conforms to EU procurement rules. It can be done.

The committee also recommended that the Executive re-examine how business support can assist in farm diversification and in developing and incentivising local food chains more effectively. Another recommendation of the committee was that the regulatory framework be considered so that Scottish farmers are not disadvantaged by regulatory costs.

Those recommendations are fine and there is much consensus about them, but the two big unresolved issues that prompted the inquiry concerned supermarkets and competition rules. Sustainable trading relationships throughout the

food supply chain are essential and it is important for companies to have fair and transparent contracts.

When we looked into people's concerns about the food supply chain, we heard allegations that supermarket buyers impose arbitrary price reductions at short notice or even retrospectively, that producers are forced to enter unsustainable buy-one-get-one-free promotions and that restrictions are placed on selling produce that is surplus to contract requirements. I have experience of that in my area. Christine May mentioned carrots. In my area, a successful local business that employed 40 people in supplying carrots to supermarkets was put out of business overnight when the price was reduced, without warning, from 16p a pound to 12p a pound. When that company went out of business, 40 people were thrown out of work, which had a devastating impact on the local economy. It cannot be in the interests of retailers or consumers for short-term price pressures to put local suppliers out of business.

The committee therefore recommended that the Executive consider how it can use its contacts with supermarkets to influence their contract practices. We hope that we can influence supermarkets to consider spreading more evenly and transparently the risks of promotions and to consider contracts that would allow edible produce that supermarkets might reject to find other suitable markets, which would avoid discards.

The second big issue that came out of the inquiry is competition and how competition rules are interpreted in this country. The industry needs further co-operation and collaborative activity—that must be clearly stated. We asked the Executive to consider the lessons that can be learned from examples of collaboration among farmers in other countries. There is significant scope for further development of agricultural co-operatives, so it is important that the Competition Commission's current inquiry pay heed to our representations on the effect on Scottish interests of restrictive interpretations of the market effects of collaboration in the Scottish food industry.

This is the third inquiry that has been undertaken into the subject, but this time the right questions have been asked: we hope that the right answers will be given. The inquiry is important and its recommendations were sensible and widely welcomed. Many of the recommendations are being progressed. I hope that they bear fruit.

15:36

Alex Fergusson (Galloway and Upper Nithsdale) (Con): This has been a good debate on a good report. I know that several of my

constituents in Galloway and Upper Nithsdale, some of whom gave evidence to the committee, will welcome the debate. I confess that it makes me rather sad that I am no longer a member of the Environment and Rural Development Committee, although I also accept that that view might not be shared by its current membership.

It has been a good debate because the report is important. It has engendered a gratifying level of public debate since its publication, although it has almost inevitably ended up highlighting the helplessness of the primary producer in a chain that is effectively controlled by four retailers. As we heard from several members—if not all—that helplessness is best portrayed by the current plight of milk producers; the dairy farmer is currently being screwed to the wall by whatever combination of factors it is that determines the farm-gate price that they receive for their product.

Frances Curran: Would Alex Fergusson support the reintroduction of free milk in schools?

Alex Fergusson: If that was the will of Parliament, I would have no choice but to do so.

Two weeks ago, I accepted the minister's answer to my question on this subject, when he said:

"There are clear instances of prices in Scotland being set in a way that suggests a rather curious similarity between each round of negotiations involving each of our supermarkets and processors. Although 1p or 2p may keep disappearing from the chain, the negotiations are between the processor and the supermarket and the farmer is never engaged in that process."—[*Official Report*, 21 September 2006; c 27797.]

In reality, that means that where the supermarkets have raised the price on their shelves, and no doubt the processors have had an increase as well, the farmer has received less than he or she was getting before. I accept that the minister has made recommendations on those curious similarities to the Competition Commission, but I have to ask whether there is not some more direct action that could be taken to loosen the stranglehold in which those primary producers find themselves.

Stewart Stevenson intervened on my colleague to ask whether the Conservatives apologise for dismantling the milk marketing boards. I am sorry that he is not here so that I can remind him that the price of milk rose for three years following the dismantling of the MMBs and continued to do so until producers stopped following what had been Government advice and took a higher price that was offered by a new retailer. If I may say so, the phrase "United we stand; divided we fall" has never been more vividly validated.

Perhaps the most chilling phrase in the whole report is in the sentence in paragraph 47, which states

"the Committee was struck by the deep reluctance of farmers and producers to comment on the record, due at least in part to a fear of losing business."

Surely that is worse than a stranglehold; it is tantamount to holding a loaded gun to the head of the producer through the terms of a commercial contract. I do not believe that anyone in Parliament finds that acceptable. Just because other producers are lining up to sign up if a producer drops out, that is not a sufficient reason to hold the sword of Damocles over those producers. If people are frightened to speak on the record in their own Parliament, as Richard Lochhead said, then we have arrived at a sorry state indeed. I find it hard to believe that the only action that can be taken to influence that state of affairs is to make representations to the Competition Commission. However, in the minister's defence, I do not expect him to go as far as Andrew Arbuckle, who has clearly joined the UK Independence Party in his efforts to do something about it.

Among the many good recommendations in the report is one on which, I fear, the committee is probably mistaken. The fifth bullet point of paragraph 61 asks the Executive to ensure that

"regulation is not disproportionate to the need to secure consumer confidence."

I fear that there is little point in its asking that. Reluctantly, I agree with Stewart Stevenson. After all, the Executive set up a special committee to reduce red tape and bureaucracy, but it has presided over growth such that red tape and bureaucracy are at a level that has never before been witnessed. We need only consider the situation that faces a number of farmers who are being threatened with highly disproportionate financial penalties for making a minute error in complying with a one-off 5 per cent heifer rule, on which the Scottish Executive Environment and Rural Affairs Department guidance notes left a lot of room for doubt. The farmers, who actually had the required stock numbers, are supposed to have committed the crime of failing to provide SEERAD with information which—this is the irony and injustice of the situation—SEERAD already possesses. Far from reducing red tape and bureaucracy, this Executive has turned it into a new art form.

We can all agree on the committee's report. I would have liked it to go further in some respects, but I acknowledge that issues are split between devolved and reserved responsibilities, which does not make the committee's task easier. I have no doubt that the report will be fully endorsed by Parliament, but I doubt that we have an Executive

that is prepared to act on the report's recommendations. If we do not, perhaps it is time to look forward to a new Executive.

15:41

Rob Gibson (Highlands and Islands) (SNP): Presiding Officer, I would like to apologise on his behalf for the absence of Stewart Stevenson, who was unable to hear that speech because he has to be on "Holyrood Live" and it changed its time.

Some 1.5 per cent to 2 per cent of our gross domestic product is involved in the creation of the food and drink that we consume. That 1.5 per cent is vital to life; the other 98 per cent or 98.5 per cent could not happen without it. The way in which our Government enables that industry to provide its vital products for consumers to eat is of paramount importance. That is why today's debate about the Environment and Rural Development Committee inquiry into the food supply chain is absolutely vital to every Scot.

The lack of transparency in the system, which has been mentioned by many members, affects not only the consumer, who is given very poor labelling that has not improved, but the producer and those who cannot find out where in the market or supply chain the profits are being made. That is something that people ought to be able to find out. The position in which we find ourselves is that we, the consumers and the producers, are being farmed by the shareholders of the big four supermarkets. That is an appalling situation to be in. The supermarkets, which have shareholders around the world, are farming us. That is no way for us to conduct a food policy. I say to the minister that we need not a free market but a fair market. The tenor of today's debate has been that we need the regulation and input from Government that will allow the existence of a fair market.

Business support, or the way in which we apply the limited common agricultural policy funds, is a major issue. The supports that allow people to produce high-quality food are being cut and the minister can do something about that, but farm diversification is only part of the solution—the minister and the Government have other powers that could be applied

On the big supermarkets, people can park for nothing in the car parks of out-of-town supermarkets whereas, if they use a small shop in the town centre, they will probably need to pay parking charges. I do not suggest for a minute that the large numbers of people who use supermarkets should be required to pay parking charges, but the supermarkets should be paying far higher rates. The supermarkets could also be encouraged to stock local produce and to carry

their goods by rail in order to reduce problems on our roads. However, the planning bills that we consider never deal with those issues. The Executive must get involved in such regulation and start to help consumers and producers alike.

There is a warning in our report on the position of the consumer. Paragraph 62 of the committee's report warns that to allow

"a short-term focus solely on the current prices faced by consumers risks undermining the viability of farm businesses, which will have long-term effects on the choice, freshness, quality and price of food available to consumers."

The minister has a role in relation to public health and is trying to make it possible for people to live better. Is he intervening to ensure that consumers are given better education and are better equipped to tackle what they are presented with on supermarket shelves? Convenience food is often poor food.

Parliament should not condone the supermarkets' making bloated profits. The minister intervened during Richard Lochhead's speech to say that a rational debate is needed, but it cannot be rational that the Tescos of this world make such bloated profits at our expense, not only from our pockets but, to some extent, from our health. I seek responses from the minister on that point, because we need to bring about a sea change. Governments can to some extent help to create a fairer market.

In her book "Bad Food Britain", Joanna Blythman talks about

"Britain's long-standing food philistinism that sees money spent on fleeting pleasures such as artisan cheese, a well-hung, patiently reared piece of meat or a unique and special bottle of wine, as money down the drain."

She continues:

"New trainers, a flat screen TV, another car? Now those are solid things that endure, for a while at least, and they buy you status in the eyes of friends, neighbours, colleagues and classmates."

Too often, in our society of consumerism, it is the second set of values that comes to the fore. If we are to change society—the food chain inquiry was about trying to change attitudes—we must get people to appreciate good food, rather than cheap food. I am interested in hearing how the minister will suggest that we should intervene to put out that message, because in Scotland we can do more.

As other members have said, Governments in other countries in Europe ensure that their consumers are presented with local food. I hope that in Scotland we, too, can achieve that.

15:47

The Deputy Minister for Environment and Rural Development (Rhona Brankin): I echo the comments of my colleague Ross Finnie. The Environment and Rural Development Committee put a great deal of work into the report, and we welcome it.

A variety of contributions have been made to the debate—I will deal with as many as possible. At the start of the debate, the Minister for Environment and Rural Development set out what we are doing to ensure that the whole food chain works together to secure a profitable future for all. Many members mentioned the power of supermarkets, which was covered extensively when Ross Finnie appeared before the committee. As he said then, the Executive stresses in all its dealings with the supermarkets the importance that it attaches to maintaining sustainable trading relationships throughout the food chain.

Richard Lochhead: The minister refers to the Executive's dealings with the supermarkets. Can she elaborate? Surely it is time for a summit with the supermarkets, with ministers present. We should get everyone together to discuss the issues in a full and frank manner.

Rhona Brankin: Ross Finnie meets the supermarkets regularly. I would be more than happy to ask him to give Richard Lochhead some of that information. We have a regular and ongoing relationship with the supermarkets, in which we make the point very clearly to them that sustainable trading relationships must be maintained throughout the food chain. We encourage the supermarkets to have fair and transparent contracts, although we cannot intervene in individual dealings between parties.

Ross Finnie has also written to the Competition Commission to emphasise that it is not in the interests of retailers or consumers that short-term price pressures put local suppliers out of business. He met the commission recently during its hearings in Edinburgh and reiterated our view that although there is no hard evidence of breaches of the supermarket code of practice, complaints continue to be heard anecdotally, and today we heard from committee members about evidence that was brought to the inquiry, so clearly there is an issue to be addressed.

Mr Brocklebank: Will the minister take an intervention?

Rhona Brankin: I would like to continue, if possible, and respond to several points that were made.

The Competition Commission still has a great deal of work to do and it might be some time before we see its report, but I hope that it will

provide some assistance in solving what are serious problems for the industry.

Unsurprisingly, the position of the Scottish dairy industry has arisen in the debate. I fully understand and share the concerns of members who are worried about the future of that hugely important agricultural activity. Although many farmers have taken the agonising decision to leave dairy farming, the volume of milk that is produced in Scotland has reduced only slightly. Credit for that must be directed at the enterprising dairy farmers who have been able to use skilfully improved genetics, animal husbandry, feeding regimes and grassland management to obtain more litres from their cows. Scotland has some of the largest dairy herds with the highest yields per cow in the European Union, and many of our most efficient producers can be benchmarked easily against the best in the world. In addition, let us not forget the developing market in organic milk in Scotland.

The price that producers receive for their raw milk is critical to business profitability. My earlier general comments about the need for sustainable trading relationships apply particularly to the dairy sector. It must be apparent to all who are involved in the trading, processing and retailing of milk and dairy products that continuity of supply can be guaranteed only if producers receive a reasonable return. The Executive continues to foster collaborative approaches to dairy supply chain issues and we will continue to do what we can to bring about more positive relationships.

Many members mentioned procurement; several mentioned the pilot scheme in East Ayrshire. Frances Curran did not need to go to Italy to see creative procurement in action because she could have seen it in East Ayrshire, where the council strives to ensure that local producers are aware of the local opportunity to bid for contracts.

Hurlford primary school was the first in the area to procure organic food and has now achieved 50 per cent usage, 70 per cent of which is locally produced and 100 per cent of which is unprocessed. The council has extended that model to 11 schools in the area. The Environment and Rural Affairs Department commissioned research to evaluate the pilot and assess what lessons can be learned for the rest of Scotland. In addition to an increase in the uptake of school meals, the survey found that 77 per cent of parents believe that the scheme represents good use of the council's money. Those are good indications and provide guidance for what we can do in the future.

Christine Grahame: I apologise for having to leave the debate earlier on other business, which I explained to the Deputy Presiding Officer.

Is there a role for the minister's department in trying to move Parliament towards procuring locally? If we could do that, we would be taking a stand and showing the rest of Scotland what it can do.

Rhona Brankin: I am sure that the Deputy Presiding Officer will be glad to hear me say that we would not presume to interfere with the powers of the Presiding Officer. The Deputy Presiding Officer and the Presiding Officer will be most interested to hear Christine Grahame's suggestion.

The Executive has supported farmers markets since they began. There are now more than 60 markets, with a turnover of £6 million a year. They provide producers with an outlet for their produce and the opportunity to meet consumers face to face to learn what they look for in a product. They also provide consumers with a ready source of quality local produce that is fully traceable.

As our evidence to the ERDC inquiry and our response to the committee's report demonstrate, we are taking action with partner organisations on many fronts: we are investing in the processing and marketing of Scottish produce, in local food and in public procurement to name but a few.

Today's debate has centred on agricultural issues because that was the focus of the committee's inquiry. However, the Executive's support for Scottish food and drink includes fisheries and aquaculture products, which make a significant contribution to the sector.

The committee's report tackled a complex and multi-faceted set of market relationships and made a number of valuable recommendations. Ross Finnie and I are pleased that we are all striving towards the same goals and towards helping everyone who is involved in the food chain to work together for mutual benefit. Finally, I inform Christine May that the minister will be delighted to meet her.

15:54

Eleanor Scott (Highlands and Islands) (Green): I am in a strange position, because I am summing up the debate for the committee although I was not on it when it undertook the inquiry. My colleague Mark Ruskell, who has already spoken in the debate, was on the committee then. However, I have read the report thoroughly and Mark kept me up to speed on the inquiry, as I was interested in its progress.

The report shows the value of a committee undertaking such an inquiry. It would be a great pity if committees were not able to find the space for such inquiries in their work programme. The

debate that we have had today shows how valuable the inquiry has been.

The inquiry turned out to be timely, as shortly after it finished the Office of Fair Trading referred the grocery market to the Competition Commission. As others have said, committee members were able to give evidence to the Competition Commission. It is clear that although competition is reserved to Westminster, other aspects of the supply chain, such as agriculture and rural development, are devolved.

The minister talked about the Government not interfering too much in the market. Rob Gibson and others mentioned the idea that there should be a fair market, but another aspect is that the Government has a duty of care to our rural environment and to our farming communities and their long-term viability. The First Minister has previously been challenged in the Parliament over the actions of supermarkets and their effects on our farmers. The response has been that supermarkets must understand that such a negative impact is not in their interests, and that it is in their interest to ensure that farmers who supply them are viable and are not put out of business by their practices. That is fine, and I agree that the supermarkets should realise that, but ultimately the Executive has the duty of care. Where the Executive can interfere, it should do so.

The background to the inquiry is well known. The price pressures that producers face and the climate of fear in which businesses operate are clear. It is frightening that in 21st century Scotland some witnesses were unable or felt unable to give evidence to the committee openly and on the record.

Several members touched on the direction of agriculture post-common agricultural policy reform, and I have referred to the power balance in the supply chain. Another issue is the different way in which public money will go into land management and the different way in which we will fund agriculture and food production.

The committee referred to adding value to our raw materials. That is timely, as the Executive is consulting on its rural development plan. The Executive's response to the committee listed the goals in "A Forward Strategy for Scottish Agriculture", which are fine, and included using the measures that are available under the rural development plan to develop processing and marketing. I welcome that and hope that it reflects Executive thinking, because some of us have criticised the fact that Scotland has not used all the measures that are available to it under the rural development regulation to add value to the raw materials that our rural communities produce.

Christine Grahame mentioned the supermarkets restricting choice and the varieties that are grown, confining them to those that are bred and grown for appearance rather than taste and flavour. If I were not summing up for the committee—I will temporarily put on my party health spokesperson's hat—I would go into the matter in more detail. We have recently had evidence of the failure—I think we can put it as strongly as that—of the Scottish diet action plan. There is evidence that all the health messages about food have not had the desired effect.

We should look at food in a different way. We should look at good food and tasty food—food that people want to eat. We should look at meat that has been hung properly and vegetables that have been bred for flavour rather than for shelf life or appearance. Perhaps if we focused on those matters instead of the health message, health benefits would be a side effect. Concentrating on the health message has not brought health benefits and has not given us tasty food either. The choice of food where most people shop is now restricted and the food is arguably not of the quality that it could be, unless they hunt out alternatives.

The issue of local food economies is highly topical. The Scottish Parliament cross-party group on food has considered procurement issues. We hope that the Executive inquiry into a vision for crofting will consider the contribution that crofting can make to local food production. We have considered local food initiatives and farmers markets and agreed that they must be nurtured. Producing food in the area in which it is consumed is sustainable in a way that incurring food miles is not.

The minister said that we are not self-sufficient in red meat and that we import it, and members discussed earlier the importing and exporting of food. A Green MEP, Caroline Lucas, produced a report called “Stopping the Great Food Swap”, which showed the illogicality of countries exporting beef, poultry meat and pig meat while importing similar quantities of the same produce. Such a practice does not make sense in any logical, human or environmental way—it just adds to food miles. There are issues around where our food is going and where our food is coming from.

Paragraph 29 in the committee report is on procurement and is crucial. I am glad that the Executive's response was not hostile. The Executive has agreed to consider how procurement can, within EU rules, be used to favour local produce. I would like the accent on procurement to change—I think that it is changing—to emphasise the possibilities and not just the problems and stress the importance of sustainability, under best value. The Executive's

response said that sustainability is part of best value. That point should be stressed. We must not be defensive; we should be gung-ho and consider what we can do rather than be afraid of falling foul of rules and inadvertently doing something that we are not allowed to do.

The minister mentioned the food for life project in East Ayrshire. A similar project has been piloted in the Highlands. The food for life model of having produce that is 30 per cent organic, 75 per cent unprocessed and 50 per cent local is a good one. Other countries would not find that a mountain to climb or something to which it was difficult to aspire, and neither should we. If it can be done in Rome and East Ayrshire, it can be done everywhere.

I was a bit disappointed in the Executive's response to paragraph 29, because it said that it was not at present trying to alter EU procurement rules. I know that the Executive must act in that respect through the UK, but it does have an input into the process. If there are EU rules that are a genuine barrier to local procurement, they should be looked at. It is in the interests of nobody in the EU to increase food miles under the name of openness and fair competition. However, I was glad to see that support was expressed for farmers markets.

I welcome support for diversification and I hope that the rural development plan will help not only farmers but larger units—groups of farmers or co-operatives—to diversify. Obviously, I cannot avoid mentioning the domination of the supermarkets, because we are all aware of it, the insecurity of farmers, and the difficulty with the code of practice and the feeling that it is not working. We all agree that the committee's inquiry shows clearly that the code of practice is not working. I am a bit disappointed that the minister did not respond—although it was not an action point for him—to the committee's conclusion that the code of practice should be extended to the whole supply chain and that we should have an independent regulator, because the voluntary code is simply not effective.

I note that agricultural co-operatives are regarded as a sensible way forward and that we must create conditions for them to develop. I agree that that is essential. As the minister and others have said, it is important that our farmers are able to handle—if not fight back against—the pressure that is put on them by supermarkets and perhaps processors. However, that is a bit like blaming the victim. It is not really up to the farmers to fight back; it is up to the other links in the chain to behave in a civilised and sensible way to the people with whom they deal.

I welcome the Executive's support for co-operatives and I welcome the funding that the Executive already gives to the SAOS, although its

grant of £325,000 a year seems quite small out of a common agricultural policy budget for Scotland of £450 million. However, perhaps the grant is sufficient to allow the SAOS to do its job.

The committee recommended that competition authorities must consider how markets are defined. That recommendation is crucial—unfortunately, I do not have time to go into it in any detail.

I conclude by saying that the committee's inquiry was important, timely and very worth while. The issues that it highlights, and the actions that are needed at Scottish, UK and EU levels, will be crucial for the future of our rural economies. The recommendations deserve to be acted on. I am encouraged that the Executive seems to agree with us, and I look forward to action in all those areas and, eventually, to the results of those actions.

Co-operation With Ireland

The Deputy Presiding Officer (Trish Godman): The next item of business is a debate on motion S2M-4899, in the name of Dennis Canavan, on behalf of the European and External Relations Committee, on the committee's third report in 2006, "Report on an Inquiry into Possible Co-operation Between Scotland and Ireland".

16:06

Dennis Canavan (Falkirk West) (Ind): Over many centuries, migration in both directions between Scotland and Ireland has forged strong links between two countries that are geographically close and have much in common. There are many Irish people with Scottish roots and there are many Scottish people with Irish roots. My grandfather was born in County Tyrone in 1879 and came to Scotland at the age of five. He and his family were what nowadays we would call economic migrants. For my granddad, economic migration meant leaving school at the age of 10 and working down a Scottish coal mine at the age of 12. I am very proud to be a Scot born and bred, but I am also very proud of my Irish roots, and there are many thousands of Scots who have a similar experience.

The people of Scotland and the people of Ireland have much in common in our history and our heritage. We also have much in common in terms of our vision for a better future. As a consequence, there is considerable scope for co-operation between our two countries in areas such as cultural exchange, tourism, sport, education and transport, with significant social and economic benefits for the people of Scotland and Ireland.

The evidence that I received during the course of this inquiry indicated widespread support for co-operation between Scotland and Ireland. The fact that I was given the opportunity to meet Irish Government ministers, including the Taoiseach, is a sign that the matter is a high priority for the Irish Government. The First Minister has also expressed strong support on behalf of the Scottish Executive.

Some excellent co-operation is already happening, such as Colmcille, or the Columba initiative to promote Gaelic heritage, and the work of the Ulster-Scots Agency in promoting the Ulster Scots language and culture.

The peoples of Scotland and Ireland can learn a great deal from each other. In Ireland, there is great admiration for the Scottish higher education system, and many Irish students attend our universities. In Scotland, there is great admiration for the success of the Irish economy. Perhaps some Scottish businesses could benefit from

working with Irish partners. However, the benefits of co-operation are not simply economic. Co-operation could encourage social cohesion and help mutual understanding of different cultures and beliefs. During my visit to Northern Ireland, I found that some people in the unionist community were still rather hesitant about bilateral co-operation between Northern Ireland and the Republic of Ireland, but if Scotland were also included in the co-operation programme, unionists might be more enthusiastic about participation, because such trilateral co-operation would involve the east-west strand as well as the north-south strand of the Good Friday agreement.

I also found that there is considerable interest in the Scottish Executive's efforts to eradicate sectarianism. Much of the sectarianism in Scotland and Ireland is linked to the history of migration between them and the resultant distrust between different communities. Co-operation projects involving people from different traditions and different faiths present an opportunity for teamwork, confidence building, the development of respect for each other and a better realisation that people can have different beliefs but nevertheless have much in common.

There are many good reasons for a programme of co-operation between Scotland and Ireland and, for some projects, there might be the added bonus of access to funding under the European Union co-operation objective that is to replace Interreg at the end of the year. Northern Ireland and the Republic of Ireland already have experience of accessing Interreg funding for a programme of cross-border co-operation. From next year, some parts of Scotland will be able to participate with the Republic of Ireland and Northern Ireland in qualifying for cross-border co-operation funding because, in places, the Scottish coast and the Republic of Ireland coast are less than 150km apart, which is one of the qualifying criteria for such funding.

Mr Jamie McGrigor (Highlands and Islands) (Con): On that point, does the member agree that a Campbeltown to Ballycastle ferry might increase co-operation between Scotland and Northern Ireland and that the fact that the Executive has held up such a service for eight years is not a good thing?

Dennis Canavan: I agree entirely. I make specific reference to that ferry link—which I hope will be restored—in the report.

I am pleased that the Executive responded positively to most of the recommendations in the report, but I want to clarify an important point regarding the Executive's response to paragraphs 39, 40 and 41. The draft of the report that left my office referred to a programme of co-operation between Scotland and Ireland, but—apparently as

the result of an administrative error—the published report refers to a programme of co-operation between Scotland and the Republic of Ireland. I wish to make it absolutely clear that what I envisage is a programme of co-operation between Scotland and Ireland as a whole—in other words, a tripartite programme of co-operation between Scotland, Northern Ireland and the Republic of Ireland.

I hope that the discussions that are to be held in St Andrews later this week will lead to the re-establishment of the Northern Ireland Assembly and the Northern Ireland Executive, which would undoubtedly facilitate such co-operation.

At the start of my speech I referred to the shared history and heritage of Scotland and Ireland. We cannot recreate the past and we cannot live in the past, but we can learn many lessons from the past that will help us to build a better future. If the recommendations in the report are implemented, they will help the people of Scotland and the people of Ireland to work together to build that better future.

I move,

That the Parliament notes the conclusions and recommendations contained in the European and External Relations Committee's 3rd Report, 2006 (Session 2): *Report on an Inquiry into Possible Co-operation between Scotland and Ireland* (SP Paper 607).

16:13

The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson): I welcome the European and External Relations Committee's debate. If I may, I will take the opportunity again to outline the Executive's support for future co-operation with Ireland. I warmly welcome the committee's recent inquiry and subsequent report on the subject, and pay tribute to Dennis Canavan for the hard work that he has done and the enthusiasm with which he approached his task. I did some work on the issue in the summer, and I seldom came across anyone who had not previously spoken to Dennis Canavan or who was not scheduled to speak to him in his role as rapporteur to the committee.

Like Dennis Canavan, I have ancestors from Ireland: in my case, they come from Antrim in Northern Ireland. Given the strong historical, economic and cultural links that exist between Scotland, Northern Ireland and Ireland, I and other Scottish ministers are committed to encouraging co-operation and joint working throughout the Executive's policy portfolio, wherever opportunities for mutual economic and social benefit exist.

As a result of work with the Irish consul general in Edinburgh, several areas have been identified in which Scotland and Ireland confront similar

challenges and in which potential exists for further co-operation and idea sharing. A prime example of that is the First Minister's visit to Dublin in August 2004, when he discussed the Irish experience of the implementation of a smoking ban on that island prior to the implementation of a similar ban in Scotland. The First Minister has been invited to Dublin later this year, where he intends to meet the Taoiseach and consider policies that have been identified as relevant to Scotland and Ireland.

I was in Northern Ireland recently to meet members of the North/South Ministerial Council to promote the proposed EU cross-border programme and to visit Northern Irish colleges of education to encourage joint working between the further education sectors in Scotland and Northern Ireland. We can benefit mutually from closer co-operation.

Christine May (Central Fife) (Lab): As many members will know, I too can claim some Irish roots—perhaps more direct than most. In light of the debate that we have just had on the food supply chain, does the minister agree that the food production and agricultural sectors are areas of possible co-operation? What discussions, if any, has he had on that?

Allan Wilson: I agree. I can identify two areas of co-operation that relate to the food chain. The first is, of course, agriculture, but I include fisheries in the equation, too. I will come on to the matters that we consider to be suitable for cross-border co-operation.

The Executive is an active participant in the British-Irish Council, which was established under the Good Friday agreement in 1998 and which aims to promote co-operation on a range of issues of mutual interest, from transport and tourism to environmental issues and social inclusion. In November 2002, Scotland was proud to host a successful summit on social inclusion at New Lanark. Social inclusion is one of the matters on which we lead in the council.

As members of the European and External Relations Committee are aware, and as Dennis Canavan said, we now have an opportunity to develop the new EU programme for extending cross-border co-operation. I and other ministers have outlined our strong support for the development of the programme, so I am pleased to report good progress. Executive ministers and officials have been involved in detailed discussions with Irish colleagues and Scottish partners on the programme themes and financial allocations and we expect a draft programme to go out to consultation in the next few months.

The programme will provide about €200 million, which will help bring substance to our efforts to

encourage joint working on a range of issues, including enterprise and business development—particularly research and innovation—tourism, natural and cultural heritage, renewables, maritime and coastal zone management and, as I said, agriculture and fisheries. Those are all matters on which we have shared interests with Ireland and Northern Ireland and on which we can begin to share new ideas and best practice.

A crucial feature of the tripartite programme is that it will provide an opportunity to develop links between partners from the three areas, which will encourage further co-operation and develop further economic and social ties. It is crucial that partners, as well as Governments, continue to make efforts to facilitate the programme. Opportunities also exist under the continuing transnational, northern periphery, north-west Europe and Atlantic coast programmes.

I welcome members' views on those issues, as we are identifying priorities for the EU programme on cross-border co-operation. I will listen closely to the debate and respond to any points that arise.

16:19

Bruce Crawford (Mid Scotland and Fife) (SNP): I thank the European and External Relations Committee sincerely for agreeing to undertake an inquiry into possible co-operation between Scotland, the Republic of Ireland and Northern Ireland. I congratulate Dennis Canavan on the good job and all the hard work that he did as the committee's inquiry reporter. His report has come just at the right time. I accept that the Scottish Executive, including the First Minister and Allan Wilson, the Deputy Minister for Enterprise and Lifelong Learning, has done much work on the matter. However, we must ensure that the improvement in the links and co-operation between Scotland and Ireland that began in the period after devolution is given new impetus.

Although Scotland and Ireland have a long shared history, with deep and intimate links, for too long those connections were not given the appropriate attention by academia or Government. Our pasts are deeply entwined, from the time of the wars of independence, to the mass migration of Protestant Scots to Ulster in the 17th century, and the flow in the other direction, to which Dennis Canavan has referred, when people moved from all over Ireland to Scotland in the 19th century. Indeed, it was an Irishman, Francis Hutcheson, who was born in Ireland and moved to Glasgow, who was much of the driving force behind what Adam Smith and David Hume achieved in the Scottish enlightenment.

Inevitably, the more closely we examine our relationship, the more deeply and intensely we see

our similarities and the things that we have in common. That can only help us to work together more effectively as ancient Celtic peoples and together shape a future that best suits all of our needs.

In the light of the continuing expansion of the European Union, the report has come along at the right time. It is true that Scotland will not benefit to the same degree in the future and that Ireland will not benefit from EU structural funds but, as the old saying goes, every cloud has a silver lining. The minister and Dennis Canavan have referred to the co-operation programme that will come into being following the end of the Interreg programme. As the European Union expands and we need to maintain its cohesion, co-operation between neighbours will become a prerequisite to avoiding unnecessary conflict.

That changing picture provides us with an incredible opportunity to be more imaginative in accessing the new co-operation objective, allowing Scotland to take part in the cross-border programme for the first time. In its evidence to the European and External Relations Committee, the Scottish Enterprise network said:

"In general terms, we feel future benefits to Scotland through the Territorial Co-operation programmes could be increased by adopting a strategic, pro-active, partnership based approach and the SE Network would seek to play an active role in this."

We can all share that view. We also heard from Donegal County Enterprise Board, which said similar things. There is a will on both sides. However, we need to examine how best we can be flexible with the 150-mile rule of the new co-operation programme to find other ways to help spread the benefits throughout Scotland.

The Scottish Enterprise network mentioned heritage trail work and tourism. We could learn something from the private sector. If we look at any website, whether it is advertising castles or golf, Scotland and the Republic of Ireland and Northern Ireland are almost marketed as one destination. Perhaps we can work jointly to sell that idea of the Celtic peoples working together much more effectively throughout the world.

Finally, on the St Andrews talks, the clock is ticking. I sincerely hope that we can find a way to re-establish power sharing in Ireland and that all sides will go that extra mile to ensure that that can happen. Everyone is holding their breath and hoping that that will be the outcome.

16:23

Bill Aitken (Glasgow) (Con): I apologise for the fact that Phil Gallie, the Conservatives' representative on the European and External Relations Committee, is not here. He is at the

conference in Bournemouth, where he will be proceeding in his normal manner to spread joy and enlightenment everywhere.

On a serious note, I sincerely congratulate Dennis Canavan who, acting as rapporteur, has produced an excellent report that the Conservatives can completely sign up to. A great deal of work, time and effort has gone into the report, which is presented logically and cogently. Although I speak as one who is unable to trace any Irish ancestry, I know that there are deep-rooted connections between Scotland and Ireland, which manifest themselves in a number of ways. Dennis Canavan has dealt to some extent with the cultural connections and we have seen the ways in which we co-operate, for example in events such as the pan-Celtic festival of song and dance, which has participants from Scotland and Ireland. In Glasgow, we have the Celtic connections folk festival every January. That involves people not only from Scotland and Ireland but from Brittany and Wales and provides much enjoyment. The cultural connections exist and we must consider how to expand them.

We have been envious of the progress that the Irish economy has made over the past 20 years. The Irish have not been shy about exploiting EU grants, nor should they have been. They will have a problem as those grants dry up due to EU enlargement, but they have built an active and outward-looking economy and we, as their close neighbours, should seek to share in the wealth that many enterprising Irish people have worked to create.

If we are to expand trade with Ireland, we must improve transport by improving the A77 and A75 routes. I hope that the Executive will take that firmly on board. The Irish have done extremely well out of EU grants, but it is unlikely that the same level of support will be forthcoming and it seems that we will be unable to grant fund any of the proposed transport improvements. However, it is vital that those transport links should be not only maintained but improved and I look for the Executive to commit to doing that.

All the report's recommendations are eminently sensible. Dennis Canavan is entirely correct about the social benefits of co-operation between Scotland and Ireland. Sectarianism in Scotland is not the problem that it was 20 or 30 years ago, but we still have historical sectarian difficulties. They are caused by a mistrust of the different communities and will improve if there is trilateral involvement. Scotland can play a part in ensuring that the Irish settlement, which now seems to be working, continues to work for the benefit of the people of Ireland and has spin-off benefits for Scotland.

The report is a job worth while. Dennis Canavan has not often heard me praise him and has heard me agree with him even more seldom, but there is a lot in his report that should be commended to the Executive. I hope that it will act on the committee's recommendations.

16:28

Mr Jim Wallace (Orkney) (LD): This is a welcome debate on a welcome report. I add my congratulations to Dennis Canavan who, as the committee's inquiry reporter, set about his work in a genuinely determined and committed way. The product is a report that has been well received and endorsed by all parties.

As we have heard in the debate and as the committee bore in mind, there are important historical ties between Scotland and Ireland—north and south. We identified, not least through Dennis Canavan's prompting, the opportunity that reform of the structural funds offers to build on the good will that exists and on a number of initiatives that are already in place. Paragraph 19 of the report, which refers to some potential projects, records that co-operation between local authorities already takes place and lists initiatives that can be built up over a range of subjects.

Co-operation should not be confined to local authorities. As the report indicates, there is a role for bodies such as VisitScotland, sportscotland and our colleges and universities, as well as at governmental level. It is important that all those bodies participate in the genuine willingness to engage that has been expressed in the Parliament.

The committee was unanimous in calling for an extension of co-operation and on potential partners to take advantage of the opportunities that are afforded by the European Union's structural fund programme for 2007 to 2013. I would like to emphasise the point that Dennis Canavan made. The co-operation that the committee is calling for should be between Scotland and Ireland as a whole, not just the Republic of Ireland. Indeed, there is already co-operation between the Republic of Ireland and Northern Ireland and some of that could, perhaps, become tripartite. The idea was not to break off one part of Ireland. The essence of the work was that there should be co-operation with the south of Ireland and Northern Ireland. I think that the minister reflected that in his speech. When I met Commissioner Hübner last year, when I still had ministerial responsibilities, I detected a fair wind coming from the Commission for that kind of engagement.

I will identify three important points. First, we will consolidate friendship and, perhaps, bring about a

better understanding between the different traditions that exist in Scotland and in Ireland. Secondly, in a small but important way, the co-operation that we are proposing can play some part in underpinning the peace process. Like Allan Wilson, I have participated in meetings of the British-Irish Council, which was created as part of the Good Friday agreement. Although it got off to a slow start, I was able to attend meetings that discussed telemedicine and languages and involved the sharing of experience on tackling drugs and the use of information technology in government. As Allan Wilson said, the Scottish Executive and the National Assembly for Wales have taken the lead on social inclusion. A lot of learning, based on people's experiences, has been shared, which has all been to the good. Thirdly, we can lever in resources that we might otherwise lose.

As the report makes clear and as the minister said, under Interreg IIIB, a number of schemes are already in operation. In the northern periphery, which includes my constituency, 32 projects have involved the Highlands and Islands area. Next week, under Interreg IIIB, there will be a conference in Orkney dealing with sustainable tourism.

Although we have not been able to participate in Interreg A, opportunities to do so are now opening up to us. As the committee indicates in its report, the Commission has also proposed the inclusion of parts of Northern Ireland and the Republic of Ireland and additional parts of Scotland in the next northern periphery programme. There are a series of projects that will give us another string to our bow. I hope that the various bodies that are involved and the respective Governments will take full advantage of those projects as I believe that they will be of mutual benefit.

16:32

Helen Eadie (Dunfermline East) (Lab): I congratulate Dennis Canavan and the committee on producing the report. Dennis and I have a few things in common. For example, he represents the constituency in which I was born and I represent the constituency in which he was born. Occasionally, we find ourselves at the same football match. However, regrettably, I usually find that my team—Cowdenbeath nil—is being thrashed by Falkirk. I applaud Dennis Canavan's commitment to all things European and international. He is known here in Scotland and in Westminster for his commitment over many years in that regard.

I would like to state my strong commitment to all things European. This is my first chance to speak in the chamber since last week's announcement of

the entry to the European Union of Bulgaria and Romania. I applaud that development.

Thinking of the comments of some of our members, particularly Bruce Crawford, I must say that, since 1999, the Executive and the Parliament have been committed to EU matters, particularly with regard to co-operation. We do not say often enough in the chamber just how much our local authorities have shown commitment to Europe. When I first entered local government, I often thought that the work that Strathclyde Regional Council did was inspirational. It pointed the way for us in terms of programmes and co-operation. We in Fife learned from that and predicated our work on the idea that we would take that route.

In the Parliament, I have tried to establish something that we call the friends of Europe, which is an informal gathering of people to hear speakers talk about how we can become more engaged in all things European. I hope that we will be able to welcome to future meetings of our group Irish citizens who might like to join us.

Having read the report, I have one or two particular concerns on which I would like the minister to reassure me. Paragraph 30 states that Dennis Canavan produced an interim report because he was

“concerned that the Scottish Executive might not be giving adequate priority to pursuing Scottish participation in relevant programmes with the Irish and UK Governments.”

I listened carefully to what the minister said and I am delighted that we will now have €200 million instead of the €80 million that is mentioned in the report, but that is a challenge for the minister and his officials. If there is one thing that they need to consider, it is how we can alert the voluntary sector, local authorities and agencies throughout Scotland to the opportunities. That, too, is mentioned in the report.

I was interested and pleased to note the range of potential projects, particularly

“the up-grading of trunk roads and ferry services between Scotland, the Republic of Ireland and Northern Ireland”.

That would provide huge social and economic benefits. On the subject of ports, I give a plug—as my colleague Christine May did in the previous debate—for the Forth road bridge, which is a vital trans-European route. We hope that all colleagues will support our plea not only for a new bridge but for the removal of bridge tolls to bring equity and social justice to our part of the world.

16:36

Iain Smith (North East Fife) (LD): Today is a particularly suitable day for the debate because the independent monitoring commission issued its report today and said that, as far as it is

concerned, the Irish Republican Army has forsaken terrorism. That is very good news for the people of Ireland. I just hope that the Democratic Unionist Party responds a little more positively than it has done to date, because that is an important step forward.

I have to confess that, before I became a member of the Scottish Parliament, I had little connection with Ireland. Indeed, I had never visited Ireland. Since becoming an MSP, I have been fortunate enough to visit Ireland on a number of occasions, not least as a member of the Parliament's delegation to the British-Irish Inter-Parliamentary Body. I also participated in a parliamentary visit to the Oireachtas when David Steel was the Presiding Officer, and I visited Ireland with the Local Government and Transport Committee when it considered proportional representation, among other things. Even the Procedures Committee, when it considered the private bills procedure, managed to visit Ireland to see how things are done there. During the October recess, I am privileged to be visiting the Oireachtas with the current Presiding Officer, George Reid, at the invitation of the Ceannt Comhairle.

Those opportunities for us to learn about how things are done in Ireland—and also for politicians in Ireland to learn something from us—are valuable. I believe in international exchanges and visits because we can learn and teach a great deal during them. In the BIIPB, we have participated in a number of inquiries in which co-operation is important. We have exported our model of special education—the additional support for learning model—because it was seen as valuable in Ireland during attempts to modernise special education provision there. Northern Ireland has particular problems with special education because it is stuck with the model that was imposed by the Westminster Government, which has not helped, but it too is examining the Scottish model to see how things can be improved.

Recently, the BIIPB committee that I serve on completed an inquiry into life chances in Belfast. The committee will report to the next plenary session of the BIIPB in Belfast next month. The inquiry shows that there are a number of great concerns about the life chances of people in deprived communities in Belfast, but it also shows that, despite the divisions, there is much more that unites people in Belfast than divides them. To be frank, when we are in those communities, looking at their problems and speaking to the people, we cannot tell whether we are in a Catholic community or a Protestant community. The problems are the same and the people are the same. It seems a shame that they are divided in such an unnecessary way. I hope that, through our work with the BIIPB and other agencies, we can

help to break down some of the divides in the community.

We must also take advantage of Interreg. The 150km rule is bizarre and excludes most of Scotland because we do not have another country within 150km of our coast. It is a daft rule, but we must be imaginative in using the money and taking full advantage of it. In particular, I would like us to examine with the Governments in both the Republic of Ireland and Northern Ireland the possibilities of a transnational route. We could take freight from Ireland on to ferries, offload it on the west coast of Scotland, take it by train to the east coast, and then stick it on a ferry at Rosyth and take it to Europe. That would be a great opportunity, and co-operation could work.

I hope that we can develop the work of the British-Irish Council—along with the British-Irish Inter-Parliamentary Body, which is supposed to be its parliamentary wing—to increase co-operation not just between Ireland and Scotland but among all the islands and nations in the United Kingdom and Ireland. There is a great deal that we can learn from and offer one another.

16:41

Derek Brownlee (South of Scotland) (Con): I join others in commending Dennis Canavan for his work on the project and the European and External Relations Committee for its involvement in what is a worthwhile initiative.

In his speech, Dennis Canavan referred to the overwhelmingly positive response from those who had discussed the initiative. I am not surprised, because it falls into the category of being almost so obvious that we wonder why more was not made of it sooner. As many have said, the links between Scotland and Ireland are of long standing and there is much that can be made of them. Those links are already particularly strong between the south-west of Scotland and Northern Ireland, and they could be further enhanced to the benefit of both communities.

I was interested in what the minister said about the exchange of lessons among Northern Ireland, the Republic and Scotland. He was right, and in some respects devolution was meant to be about that—trying different things in different areas, discovering what works and sharing best practice. That is healthy.

I have a specific question on the €200 million funding programme, which the minister may be able to deal with later. As I understand it, the €200 million is the funding for all of the programme rather than Scotland's share. If it is not tempting fate too much, will the minister tell us about the Executive's ambition? How much is it seeking to squeeze out of the programme to benefit

Scotland? As others have indicated, it is a potentially significant funding programme of which we should take maximum advantage.

Others have mentioned transport links, which are crucial in increasing co-operation among the Republic, Northern Ireland and Scotland. I cannot let the chance pass without mentioning the opportunity to secure better links with the ferry terminals in the south-west, as well as Rosyth. Bill Aitken referred to the A75, and there is much that can be done to improve both road and rail links to allow greater freight transport.

Anecdotally, there appears to be a significant volume of Irish traffic on the Rosyth to Zeebrugge ferry. There is a great opportunity to enhance the transport links and get freight going by sea, rather than winding a tortuous route over land. If we did that, many communities on the A77 would need to see significant investment on the road infrastructure, as there is already concern about the volume and nature of traffic and the impact that it has on local communities. If we want to make the most of that opportunity, we need to look seriously at investment. The same applies to the A75.

Others have talked about the broader links between the UK and Ireland, and we should do anything that we can to alleviate the tensions on the island. We should not necessarily expect to do much, but anything that we can do, we should.

There are many lessons that we can learn from Ireland—members on the other side of the chamber would have a lot to say about that. I have some sympathy with the argument that we can learn from the Republic of Ireland, but that is not for today. The report was a lot of work and makes many good suggestions. The biggest danger is that the report will become lost in the general good will towards it and that we will not take enough specific action. I hope that the Executive will take on board strongly the recommendations and that tangible actions will result from the report.

16:45

Mr Kenny MacAskill (Lothians) (SNP): The report is short, as is the debate, but it is focused. Dennis Canavan and all those who were involved in producing the report are to be commended for it. The debate has been consensual, which shows the level of support and the opportunities for us.

To an extent, it is tragic that a variety of circumstances in recent and more distant history have resulted in our being where we are. Seeking to create a bilateral or tripartite situation is taken for granted in the nordic countries, the Benelux countries and the Baltic states. We are dealing with the issue belatedly. All those countries have had significant problems in the past. The

relationship between the Danes and the Swedes, never mind that between the Lithuanians and the Livonians, has been equally problematic, never mind the Dutch Republic and elsewhere. However, it is to our credit that we address the issue.

As many members have said, co-operation is not simply about addressing our past and learning from it through social integration and supporting the peace process in Northern Ireland, but about the present and the future, because huge opportunities exist. We cannot change our geography—we are where we are. It is up to us to work with our neighbours. With the Irish Republic and Northern Ireland, we have not just the shared family histories on which many members have commented, but shared interests and similar community sizes and rural peripheralities. We must work at addressing those matters, so it is heartening that members throughout the chamber have supported the idea and that the minister is prepared to pick it up and run with it.

Transport links are key. We should not underestimate the problems. To an extent, we in this country have taken for granted the North channel. We must realise what competition is coming. Anybody who has travelled via Holyhead or Swansea in recent years will be aware of the huge improvement in the infrastructure there. Unless we take steps to address the infrastructure in south-west Scotland, we may wake up one morning to find that transport goes through Holyhead and the M62 corridor rather than the more difficult but shorter sea journey across the North channel. We must take that on board and not take the North channel for granted.

We must address the peace process. There is much ignorance in Scotland about our history, which we must examine.

Huge opportunities exist. Given the constituency that he represents, the minister will be aware of discussions—I remember being involved with people who were participating in them—about the opportunities that would come from having a deep-sea port terminal at Hunterston. I was told that 70 per cent of containers to the Irish Republic—we envy the manufacturing base there and its exports—went through Rotterdam. Ports in Scotland should seek to access some of those opportunities.

Another issue is marketing and how we promote ourselves, which I have come across recently. A huge marketing opportunity in the United States involves what is described as the Scots-Irish community there. To whom do those people belong? Are they Irish, Northern Irish or Scots? Rather than becoming involved in a turf war about who has the greatest claim to those people, we should co-operate.

The market in America is huge, because the Scots Irish are significant in American history. They include not just Presidents Andrew Jackson and Ulysses S Grant, but people who fell at the battle of the Alamo, such as Sam Houston from Armagh, Davy Crockett and Jim Bowie. Many such people were born in the north of Ireland or elsewhere on the island of Ireland, but they came ultimately from people who had left Scotland.

We have a huge opportunity to co-operate on selling Scotland and, indeed, on selling visits to the Ulster American folk park, for example. We have our share in the Scots Irish. They started to depart from Northern Ireland after they had left Scotland, in the 17th century. They started to leave when, shortly after his accession to the throne, King William III reneged on his commitment to the Presbyterian faith. Whatever people such as those with some sectarian predilections in Scotland may think, they had left and gone to America before the Orange order was established. The Scots Irish offer another subject for co-operation on marketing.

We wholly support the report and will work with the Executive and the minister in any way that we can to have it implemented.

16:49

Allan Wilson: I agree entirely with what Kenny MacAskill said about the consensual nature of the debate; I would like to continue that consensus.

Recently I met a group of North American congressmen from the energy committee—a very high-powered committee—who were en route to the middle east. They spoke of the Scots-Irish diaspora and made no distinction between the two; nor should they, because we are the same people, divided by history perhaps, but united in our common humanity.

I am grateful for Dennis Canavan's clarification of the typographical error to which he referred, which misrepresented his views and those of the committee and led to my response. We would all agree that we have no plans to introduce separate programmes; we require to participate in a tripartite manner with existing cross-border programmes between the Republic of Ireland and Northern Ireland because we would get maximum value from the consequential programme for Scotland. In that context, I say to Derek Brownlee that we are talking not about shares, but about getting the maximum possible value from broadening and widening our participation in existing cross-border programmes.

As I have said, the draft programmes are likely to support a range of activity. Current thinking on the programme structure is that the two priorities will be economic development such as innovation,

business support, small and medium-sized enterprise development and small-scale infrastructure, along with the sustainable management of resources such as tourism, the environment, renewables, marine and coastal zone management, and natural and cultural heritage.

It is a pity that Jamie McGrigor could not wait for the rest of the debate before he made his intervention. Regardless of their political persuasion, everyone in the chamber believes that the Campbeltown to Ballycastle ferry service is a good thing. The infrastructure is in place and the Executive has been trying desperately to reinstate the service. The new programme might give that initiative some welcome impetus.

Bill Aitken and Helen Eadie referred to transport infrastructure such as roads, bridges and ferries. Eligibility for the programme is limited, as is its scope, but its key elements are to assist the flow of goods, people and connections, so it might well be possible to address some of those issues.

Bruce Crawford raised a relevant question about the areas that will be eligible. Parts of the west of Scotland such as Dumfries and Galloway, south Ayrshire, Argyll and the isles are all included in the eligible areas for the programme. In addition, we are making strenuous efforts to persuade the Commission to include North Ayrshire, East Ayrshire and the Western Isles.

Bruce Crawford: Might it be advantageous to have discussions with the Department of Trade and Industry about how Scotland can access the same fund for connections into France, Holland and other countries with which we would not normally have any contact?

Allan Wilson: Very much so, and that links to the point that Bruce Crawford's colleague made about the wider Scots-Irish diaspora, as well as points that were made by my good friend Bill Aitken about cultural initiatives. The Columba initiative that was mentioned by Dennis Canavan is one good example. It was set up by my colleague Brian Wilson when he was in the Scottish Office and it sought to bring together our cultural heritage and rejoice in the broad range of Celtic culture.

Our anti-sectarianism initiative is a good example of an area in which the Irish believe that they can learn from us because of the historic roots of the conflict on that island.

The Irish economy has had its successes, but we know that it has the same—if not more—acute problems with worklessness and employability, so the Irish look at our workforce-plus proposals and our wider proposals on employability to see what benefits could accrue to them in a cross-border context.

We have been given an excellent opportunity to deepen our ties with our Irish neighbours. We are pleased that structural funds have given us a good facility for achieving that. As the EU becomes larger, it becomes more rather than less important for nations such as Scotland to develop cross-border links and co-operation with other like-minded nations elsewhere in the UK. That enables us to share our good experience and learn from their good practice. That system is mutually beneficial and we will support it and push forward in consultation and co-operation with colleagues from all parties in the chamber.

16:55

Irene Oldfather (Cunninghame South) (Lab):

It is evident from this afternoon's speeches that there is a great deal of interest in and good will towards the principle of future co-operation among Scotland, Northern Ireland and the Republic of Ireland, particularly within the EU co-operation programme. In summing up on the committee's behalf, I want to thank the committee's clerks, past and present, and the staff of the Scottish Parliament information centre. I congratulate Dennis Canavan on bringing the matter to the committee's attention and on the hard work that he put into the drafting of the final report.

As Jim Wallace mentioned, part of the catalyst for the committee's interest was the overall reduction in the structural funds budget. That made it all the more important to maximise the opportunities that the funds present. With the proposed budget of approximately €200 million that the minister confirmed today, the co-operation programme will have a not insignificant amount of money.

It was evident from members' speeches that the committee's topic for debate was worthy of consideration. I think that it found resonance not only among members in the chamber, but among those who work on projects on the ground and respondents to the inquiry. I will say a little bit more about them in a moment.

As was made clear in the debate, co-operation is about not just the economic opportunities—important though they are—but our cultural, traditional and social links. As Dennis Canavan rightly pointed out, we have much in common with Ireland and Northern Ireland. Over many centuries, migration in both directions across the Irish sea has forged strong connections between Scottish and Irish communities. Members from all parties have agreed this afternoon that, as a consequence, we have considerable scope for co-operation projects such as cultural exchanges and in matters such as tourism, sport and transport.

Indeed, some excellent co-operation is already happening. As Dennis Canavan mentioned, the Columba initiative was set up in 1997 to foster support for the Gaelic language and to raise awareness of our shared Gaelic heritage. That is an important development.

Many respondents to the inquiry suggested that certain types of co-operation projects could encourage social cohesion by helping to develop mutual understanding and tolerance of the different traditions, communities and beliefs that exist in Scotland, Ireland and Northern Ireland. As paragraphs 17 and 18 of our report state, the committee believes that the partnership and teamwork that are involved in delivering projects on the ground could also have the capacity to encourage people—as Jim Wallace pointed out—to look to what they have in common rather than to their differences. At a time when we hope to eradicate sectarianism, projects that involve partners from all communities and all beliefs should be very much welcomed and supported by the Parliament.

Let me say a word about co-operation that is already going on. As a number of members highlighted, local authorities can participate in projects and make a positive contribution to them. I was most impressed by the recently published joint submission from the Scottish partners and the Special EU Programmes Body, which members will find worth reading. The joint submission details how the Scottish partners could contribute and what the broad themes might be. It notes that the themes that are being developed and which are emerging from the consultation process in Ireland include maritime matters, tourism, connectivity—which was mentioned by Bill Aitken and Helen Eadie—sustainable communities and competitiveness. Such themes would maximise the opportunities for Scottish participation. It is worth mentioning that the document lists all the joint partners, which in essence are composed of community planning partnerships, local economic forums and local authorities in the areas in which we want to encourage participation in the programme of co-operation.

In paragraph 45 of its report, the committee recommends that the areas in Scotland that are eligible for cross-border funding should be extended to include North Ayrshire and East Ayrshire, as well as the Western Isles, to ensure that maximum use is made of flexibility in the eligibility criteria for cross-border funding in respect of adjacency. This is the first time that such flexibility has existed. The minister reaffirmed that the Executive is vigorously pursuing the matter, with both the UK Government and the European Commission, to ensure that those areas will be able to participate on grounds of adjacency.

This is the first time that Scotland will be eligible to participate in the programmes. I cannot help but reflect on the fact that, without the Scottish Parliament, we would not have made progress in raising the issue. This is a good example of co-operation between a committee of the Parliament and the Scottish Executive in promoting Scotland's interests. Clearly, there are opportunities for us to build on the geographical proximity and historical and cultural links between Scotland, Northern Ireland and Ireland, to maximise the economic linkages and social cohesion about which members have spoken this afternoon, and to deliver mutually beneficial co-operation. There is real will on all sides to make that happen. I commend the report to the Parliament.

Point of Order

17:01

Alex Neil (Central Scotland) (SNP): On a point of order, Presiding Officer. My point of order is in three parts.

First, at 3 o'clock this afternoon the Scottish Executive issued a press release announcing the resignation as of midnight tonight of the Lord Advocate. Is it in order that the press should be informed of the Lord Advocate's resignation before the Parliament is informed, given that the Lord Advocate is appointed by the Parliament? I remind you that when Henry McLeish resigned as First Minister, he came to the Parliament to announce his resignation—he did not go to the press.

Secondly, before an immediate replacement is announced, the Parliament should have an opportunity to consider the position of the Lord Advocate and how it can be depoliticised, so that confidence in the Lord Advocate's independence may be restored.

Thirdly, will the Parliament be treated properly and get a statement on the resignation tomorrow?

The Presiding Officer (Mr George Reid): Under rule 4.8.2, the Presiding Officer is obliged to notify the Parliament when any member of the Scottish Executive demits office. I confirm that I was so informed this afternoon and that the resignation will be effective from midnight tonight. I will make an announcement to that effect at the earliest opportunity, in tomorrow's *Business Bulletin*.

I understand that the Executive intends to lodge a motion to replace the Lord Advocate, which will be moved tomorrow. At that point, members will have an opportunity to raise associated issues.

Business Motions

The Presiding Officer (Mr George Reid): The next item of business is consideration of business motion S2M-4907, in the name of Margaret Curran, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 25 October 2006

9:00 am	Time for Reflection
<i>followed by</i>	Parliamentary Bureau Motions
<i>followed by</i>	Education Committee Debate – 7th Report 2006, Early Years
<i>followed by</i>	Local Government and Transport Committee Debate – 10th Report 2006, Report on Inquiry into Freight Transport in Scotland
2.30 pm	Parliamentary Bureau Motions
<i>followed by</i>	Stage 3 Proceedings: Tourists Boards (Scotland) Bill
<i>followed by</i>	Independents' Group Business
<i>followed by</i>	Business Motion
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business

Thursday 26 October 2006

9.15 am	Parliamentary Bureau Motions
<i>followed by</i>	Scottish Green Party Business
11.40 am	General Question Time
12 noon	First Minister's Question Time
2.15 pm	Themed Question Time— Health and Community Care; Environment and Rural Development;
2.55 pm	Executive Debate: Coastal and Marine National Parks
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business

Wednesday 1 November 2006

2.30 pm	Time for Reflection
<i>followed by</i>	Parliamentary Bureau Motions
<i>followed by</i>	Executive Business
<i>followed by</i>	Business Motion
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business

Thursday 2 November 2006

9.15 am Parliamentary Bureau Motions
followed by Executive Business
 11.40 am General Question Time
 12 noon First Minister's Question Time
 2.15 pm Themed Question Time—
 Enterprise, Transport and Lifelong
 Learning;
 Justice and Law Officers;
 2.55 pm Parliamentary Bureau Motions
followed by Stage 3 Proceedings: Scottish
 Commissioner for Human Rights Bill
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business—[*Ms Margaret
 Curran.*]

17:03

Fiona Hyslop (Lothians) (SNP): I draw Parliament's attention to the first item of business on Wednesday 25 October, which is a debate on the Education Committee's report on its early years inquiry. Although I appreciate the opportunity to debate early years, which is an important issue, I have concerns about the start time of the debate. I have raised the issue with my business manager, and the committee convener has also expressed concerns.

We must find space and time for legislation and for debates on inquiry reports. However, there was no consultation about changes in the allocation of time. Four members of the Education Committee did not arrive for several hours this morning because of disruption on the transport system. Many people travel to the Parliament. Given the changes in timetables that we expect from December, we must consider carefully how we conduct our business. There should be consultation on changes in business, especially with those members who have child care responsibilities.

17:04

The Minister for Parliamentary Business (Ms Margaret Curran): Fiona Hyslop knows that I have every sympathy with those who have child care responsibilities and that I would want to ensure that we manage business in the Parliament in a way that reflects their needs. Having had representations, I tried to amend the motion to see whether we could accommodate those needs. As I said to everyone who made representations, that was not possible, which has been acknowledged.

I would be concerned about consultation not taking place. I will check that out with Fiona Hyslop, but it is clear from the practice of my office that we undertake consultation with conveners. I

believe that the recommendations on the order of business in the morning in question came from the Conveners Group, but I am happy to be corrected about that. I will look into the matter to give the Parliament reassurance.

It is not an easy job to keep all the plates spinning, but we do our best to accommodate the needs of all the different business managers, those of committees and those of women with children.

The Presiding Officer: I notice that other members have asked to speak, but, under our procedures, there is only one speaker for and one against such motions.

The question is, that motion S2M-4907, in the name of Margaret Curran, be agreed to. Are we agreed?

Motion agreed to.

That the Parliament agrees the following programme of business—

Wednesday 25 October 2006

9:00 am Time for Reflection
followed by Parliamentary Bureau Motions
followed by Education Committee Debate – 7th
 Report 2006, Early Years
followed by Local Government and Transport
 Committee Debate – 10th Report
 2006, Report on Inquiry into Freight
 Transport in Scotland
 2.30 pm Parliamentary Bureau Motions
followed by Stage 3 Proceedings: Tourists
 Boards (Scotland) Bill
followed by Independents' Group Business
followed by Business Motion
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 26 October 2006

9.15 am Parliamentary Bureau Motions
followed by Scottish Green Party Business
 11.40 am General Question Time
 12 noon First Minister's Question Time
 2.15 pm Themed Question Time—
 Health and Community Care;
 Environment and Rural
 Development;
 2.55 pm Executive Debate: Coastal and
 Marine National Parks
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Wednesday 1 November 2006

2.30 pm	Time for Reflection
<i>followed by</i>	Parliamentary Bureau Motions
<i>followed by</i>	Executive Business
<i>followed by</i>	Business Motion
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business
Thursday 2 November 2006	
9.15 am	Parliamentary Bureau Motions
<i>followed by</i>	Executive Business
11.40 am	General Question Time
12 noon	First Minister's Question Time
2.15 pm	Themed Question Time— Enterprise, Transport and Lifelong Learning; Justice and Law Officers;
2.55 pm	Parliamentary Bureau Motions
<i>followed by</i>	Stage 3 Proceedings: Scottish Commissioner for Human Rights Bill
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business

The Presiding Officer: The next item of business is consideration of business motions S2M-4908 and S2M-4909, in the name of Margaret Curran, on behalf of the Parliamentary Bureau, setting out timetables for legislation.

Motions moved,

That the Parliament agrees that consideration of the Protection of Vulnerable Groups (Scotland) Bill at Stage 1 be completed by 19 January 2007.

That the Parliament agrees that consideration of the St Andrew's Day Public Holiday (Scotland) Bill at Stage 2 be completed by 17 November 2006.—[*Ms Margaret Curran.*]

Motions agreed to.

Parliamentary Bureau Motions

17:06

The Presiding Officer (Mr George Reid): The next item of business is consideration of four Parliamentary Bureau motions. I ask Margaret Curran to move motions S2M-4910, S2M-4911 and S2M-4912, on the designation of lead committees, and S2M-4913, on the approval of a Scottish statutory instrument.

Motions moved,

That the Parliament agrees that the Justice 2 Committee be designated as the lead committee in consideration of the Civil Appeals (Scotland) Bill at Stage 1.

That the Parliament agrees that the Justice 2 Committee be designated as the lead committee in consideration of the Custodial Sentences and Weapons (Scotland) Bill at Stage 1.

That the Parliament agrees that the Communities Committee be designated as the lead committee in consideration of the Education (School Meals etc.) (Scotland) Bill at Stage 1.

That the Parliament agrees that the draft Construction Contracts (Scotland) Exclusion Amendment Order 2006 be approved.—[*Ms Margaret Curran.*]

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

Decision Time

17:06

The Presiding Officer (Mr George Reid): There are four questions to be put as a result of today's business.

The first question is, that motion S2M-4884, in the name of Sarah Boyack, on the Environment and Rural Development Committee's eighth report in 2006, on an inquiry into the food supply chain, be agreed to.

Motion agreed to.

That the Parliament notes the conclusions and recommendations contained in the Environment and Rural Development Committee's 8th Report, 2006 (Session 2): *Report on an Inquiry into the Food Supply Chain* (SP Paper 595).

The Presiding Officer: The second question is, that motion S2M-4899, in the name of Dennis Canavan, on the European and External Relations Committee's third report in 2006, on an inquiry into possible co-operation between Scotland and Ireland, be agreed to.

Motion agreed to.

That the Parliament notes the conclusions and recommendations contained in the European and External Relations Committee's 3rd Report, 2006 (Session 2): *Report on an Inquiry into Possible Co-operation between Scotland and Ireland* (SP Paper 607).

The Presiding Officer: I propose to put a single question on motions S2M-4910, S2M-4911 and S2M-4912, on designation of lead committees. The question is, that motions S2M-4910, S2M-4911 and S2M-4912, in the name of Margaret Curran, on designation of lead committees, be agreed to.

Motions agreed to.

That the Parliament agrees that the Justice 2 Committee be designated as the lead committee in consideration of the Civil Appeals (Scotland) Bill at Stage 1.

That the Parliament agrees that the Justice 2 Committee be designated as the lead committee in consideration of the Custodial Sentences and Weapons (Scotland) Bill at Stage 1.

That the Parliament agrees that the Communities Committee be designated as the lead committee in consideration of the Education (School Meals etc.) (Scotland) Bill at Stage 1.

The Presiding Officer: The fourth and final question is, that motion S2M-4913, in the name of Margaret Curran, on approval of a Scottish statutory instrument, be agreed to.

Motion agreed to.

That the Parliament agrees that the draft Construction Contracts (Scotland) Exclusion Amendment Order 2006 be approved.

Learn to Sign Week

The Deputy Presiding Officer (Murray Tosh):

The final item of business today is a members' business debate on motion S2M-4843, in the name of Cathie Craigie, on the no need to shout ... just learn to sign! campaign. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes Learn to Sign Week from 2 to 8 October 2006; commends the work of the British Deaf Association and supports its objective of building a nation where British Sign Language (BSL), with its Scottish dialect, is a shared communication medium for both deaf and hearing communities; welcomes its 2006 UK-wide campaign, "No need to shout ... just learn to sign!", which aims to encourage people to learn BSL; applauds the work of the Scottish Deaf Association (SDA) in raising awareness of deaf issues in our schools, further education establishments and workplaces, and considers that the Scottish Executive should be encouraged to support the efforts of the SDA.

17:09

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): As convener of Parliament's cross-party group on deafness, I am delighted that my motion celebrating learn to sign week 2006 has been chosen for debate this evening.

In the first week of October every year, the British Deaf Association campaigns throughout the UK to encourage the public to join in, have fun and learn British Sign Language. I hope that the debate will go some way towards promoting those aims in Scotland.

More than 250,000 people in Scotland have a communication impairment and many use BSL as their first language. With the learn to sign campaign, the British Deaf Association is not asking everyone to become fluent in BSL, but to try to learn a few words or phrases or to try out a basic sign language course so that they can better communicate with the deaf community in Scotland.

Knowledge of sign language benefits the people of Scotland, not only in communicating with members of the deaf community but in communicating with members of their families and friends. We know how difficult it can be to chat to someone in the library, in a noisy pub, across a busy factory floor, across a platform or even across Parliament's chamber. The BDA is encouraging us to learn to sign not only so that we can communicate with deaf people but so that we can communicate with other people and learn BSL as another language.

Schools throughout the UK are taking part in learn to sign week. Thousands of schoolchildren, mainly in primary schools but also in secondary

schools, are participating. In Scotland, 2,300 young people are learning to sign and in my constituency whole schools are involved. I am looking forward to visiting Cumbernauld primary school tomorrow, where this week children have been going online, watching demonstrations of BSL phrases and taking in that knowledge like sponges. They have been taking vocabulary cards home with them to learn phrases and by the end of the week they will be able to ask someone their name, their age and what they had for lunch in BSL.

The head teacher of Cumbernauld primary school, Betty Greenwood, tells me that they are stressing to the children that BSL is a different language for deaf and hard of hearing people and that it is not just gestures. Too many people think that BSL is the English language in gestures and sign, but it is not. This week aims to raise general awareness of deaf issues among children and people in workplaces. I am told today that many of our major employers, including the Scottish Executive and the Scottish Parliament, have been raising awareness this week of the benefits of learning to sign. As I said, the young people in schools not only learn within the classroom but take work home. They go home and speak about BSL with other members of their households, so those others learn, too.

We should all applaud the work of the Scottish Deaf Association in raising awareness of deaf issues in schools, workplaces and further education establishments. In my constituency, such establishments have recently begun to offer classes in BSL. I know of people who are involved in voluntary groups and organisations in Cumbernauld and Kilsyth who are taking advantage of the opportunity to learn how to communicate with a large section of our community. I would love to see and hear the minister say tonight that BSL is an option for our schools curriculum, because the schools that are taking part this week are certainly embracing it and the children are hungry to learn it. BSL being on the curriculum would mean that many more pupils would have that advantage.

There is an on-going struggle to recruit and train sufficient numbers of interpreters in Scotland. The introduction of BSL as an option in schools would encourage more young people to pursue it as a career path. I am grateful that the Executive has been able to offer funding and support to many different organisations to encourage BSL development. Heriot-Watt University is out on its own among Scottish universities in providing opportunities for people to learn BSL. However, two United Kingdom universities are further ahead than we are, namely the University of Bristol and Preston University—which will from next year, I understand, offer the opportunity for people to

learn BSL and do deaf studies, and take that towards a degree course. I would love it if we were able to do that in Scotland.

Parliament had a debate back in February 2000 in which we spoke about the need to encourage more people to learn about BSL. Parliament campaigned to have BSL recognised as a language in its own right and we won that fight—BSL now has that recognition. However, we do not have enough BSL interpreters. We had 32 registered interpreters in February 2000 and we have 48 in October 2006. It is good that the numbers are going up, but we should be looking to the Scottish Further and Higher Education Funding Council, with the support and encouragement of the Executive and Parliament, to develop BSL as a degree course. That could give deaf people the opportunity to engage in activities that the hearing community takes for granted but which deaf people often find it difficult to engage in—a visit to the doctor or the health centre, for example. Anything that we do in our daily lives can be difficult for deaf people because of the shortage of BSL interpreters.

That is the serious part, but this week is about fun and asking people to come along to learn a bit about and get a taste of BSL. We are sure that people will enjoy that so much that they will want to learn more. The campaign's slogan is "No need to shout ... just learn to sign!"—that is what we are asking people to do.

17:17

Christine Grahame (South of Scotland) (SNP): I congratulate Cathie Craigie on securing the debate on such an important issue. Many more people are living to an old age and increasing numbers of them are becoming partially or totally deaf.

Ironically, I have been losing the hearing in my left ear for the past two weeks, so I have had a small taste of what it is like to try to listen to conversations and hear what is going on. I hope that it is a temporary condition, but I shall not know until next week. I am looking forward to it not going on longer than that. The issue is not that one does not hear anything; one hears buzzing the whole time. When people are around, one tries to listen to the conversation, pretending sometimes to hear what is going on, but in fact being completely unaware. There is great isolation in deafness or partial hearing.

It is pertinent that the motion includes the phrase "no need to shout". My father is 91 and is increasingly losing his hearing. We are both now yelling at each other, with neither hearing what the other is saying and each of us having independent conversations. That was probably always the

case, but it certainly is the case just now. My experience is minor, but it has taught me many lessons in the past couple of weeks.

I want to refer to the isolation that occurs when one is unable to communicate. With members' leave, I will refer to two examples in the context of the charity Hearing Dogs for Deaf People. I will focus on the experience of isolation rather than on the charity. I will quote the words of Adam Wilson, who had severe hearing loss for more than 30 years, but found himself alone and isolated only when he retired. He said:

"It is hopeless living on your own and not hearing the everyday sounds ... Worse than that, the most critical problem was how easily I was slipping into a reclusive state."

That illustrates the importance of signing: it allows communication between those who have their hearing and those who do not, or who have defective hearing. Hearing people cannot understand how confusing it can be for deaf people to be in crowds, in open spaces, or where there is background noise or wind. It was not until Adam Wilson got a dog that he began to communicate again; previously, he had just thought that he would stay at home.

I will also cite the example of the young woman who lost her hearing completely overnight after a viral infection. She then found life becoming increasingly difficult. She says:

"It took two years for me to realise the goalposts had moved for ever. Then depression set in: I couldn't cope with noise, use a conventional telephone or engage in conversation."

Was that the end of her working life? She felt that it was almost the end of her life, because she was not part of society and was not communicating any more.

BSL is not just for deaf people and their families; it is for the rest of society, too. If someone does not know what is going on in a room and can only guess, their answer is often either to pretend that they know or simply to shut down. I therefore congratulate Cathie Craigie on her motion.

Through the facilities that it can offer, Parliament has gone a long way towards assisting people with partial hearing or deafness. Some of us in the chamber have to use headphones to follow debates; it may be me next week.

We must continue to bring this issue to Parliament, especially as so many people in society now have defective hearing. Many people are not letting on that they are in that position.

17:21

Eleanor Scott (Highlands and Islands) (Green): I, too, congratulate Cathie Craigie on

securing the debate and I acknowledge the importance of signing. As members will know, before I was elected I worked as a community paediatrician. At one school for which I was the doctor, both the primary and secondary parts of the school had a unit for children with hearing impairment and deafness. Some of the children were profoundly deaf and some were just severely deaf.

At that time, we had come through—and had come out the other side of—the idea that children should not be taught to sign because they would then not speak. That idea has now been completely disproved. Children take to signing very readily; they can learn to sign much sooner than they can learn to speak. Even with good results from the best hearing aid, or even with a cochlear implant, a deaf child remains a deaf child. He or she still needs the back-up of signing in order to develop language and communication skills. They also need signing for the day when technology breaks down. I knew a young girl who had very good speech and a good level of understanding through her cochlear implant, but when it went wrong—and it did go wrong—she would have been left with nothing had she not had her signing to fall back on.

In my job, I was struck with the speed with which the rest of a deaf child's family could learn to sign—the siblings in particular. As I say, children take to signing very readily and the siblings always learned well, but other children took to it, too. In the deaf unit of the secondary school I mentioned—it was in Dingwall—a large number of mainstream hearing pupils chose to do a Scottish Vocational Education Council course in signing because the facility existed there. The course was very popular—in one year, a couple of dozen children took it. They had the advantage of having the deaf unit and therefore having the teacher of the deaf children to take them through the course.

As Cathie Craigie says, BSL is a language in its own right. It is a beautiful language because it is three-dimensional—it is a language in space rather than in sound. In the units in Dingwall we were lucky in having the help of a native BSL user—a deaf lady who has now retired. She would come in and engage the children in conversation and storytelling. She once went to Bristol, I think it was, for a course in storytelling. When she came back, I learned that there are dialects of BSL. She described how, when asked what she wanted from the bar, she used a sign that for her meant "lemonade" but which was mistaken for something a lot more intimate in another dialect of BSL. BSL is a very beautiful language that has a degree of expressiveness that cannot always be translated into spoken language.

There were classes for those of us who were involved with the deaf unit and who wanted to learn BSL. I have to say that I tried to do signing, but was terrible at it; I was not a good signer. Cathie Craigie said that the challenge of learn to sign week is to learn a few words or phrases and that we are not expected to become fluent BSL users.

At this point, I crave members' indulgence to play to the gallery by signing the one phrase that I know how to sign. I will use sign-supported English rather than BSL because, of course, BSL has its own grammar and I want to use English grammar: "Oh Lord, help me to keep my big mouth shut until I know what I'm talking about."

The Deputy Presiding Officer: That is a useful motto for us all.

17:26

Euan Robson (Roxburgh and Berwickshire) (LD): I am slightly reluctant to follow that remark.

I add my congratulations to Cathie Craigie on securing the debate and extend to her my compliments for her efforts as the convener of the cross-party group on deafness.

The motion is welcome. We should indeed commend the work of the British Deaf Association, especially its efforts to extend the use of British Sign Language. As the motion says, the Scottish Deaf Association has helped to raise awareness of deaf issues in the areas that are specified. Perhaps the SDA should look closely at the provisions of the Education (Additional Support for Learning) (Scotland) Act 2004 because they may well contain opportunities to extend the use of BSL at local level as the act is implemented by local authorities.

Before I became an MSP, I worked in the gas industry, where two employees of mine asked whether they could go on a BSL course. They went on the course, but I regret that I did not join them because, if nothing else, I would have been able to know what they subsequently said about me across the office. Their experience has stayed with me, which was that BSL is a language of its own in that it is—as Eleanor Scott said—a three-dimensional language that has a unique beauty and fullness of expression. They told me that, for them, understanding BSL opened a whole new world of experience.

Perhaps the most important impression that has remained of their experience is that BSL allowed them to communicate with people with whom they would otherwise not have had the opportunity to communicate, which was of as much benefit to them as it was to the people who were deaf or hard of hearing with whom they communicated.

I have nothing further to add, other than to say that the motion is welcome and that I hope that we will all take away something from learn to sign week. If the Executive can help in any way through its many connections, I am sure that it will. I wish the week every success.

17:29

Dave Petrie (Highlands and Islands) (Con): In 1983, I ran the London marathon to raise funds for a phonic ear for a totally deaf child who is now training to be a primary teacher. Twenty years on, when I trained as a mathematics teacher, I had a profoundly deaf student in my class. I am now in the privileged position of serving on the excellent cross-party group in the Scottish Parliament on deafness, of which Cathie Craigie is convener. I congratulate her on bringing what is a most worthwhile debate to the chamber.

Deafness is a challenge, but it should not be a barrier. Communication is mankind's greatest tool because it enables us to be understood, but we take it for granted, which perhaps is our problem. However, a significant group of people in the country do not take communication for granted. For a large number of people in Britain—equal roughly to the population of cities such as Stirling or Inverness—sign language is all that is available. However, that should be viewed not as a disability, but as an ability. Since the widespread introduction of sign language, it has been an overwhelming asset to tens of thousands of deaf Scots.

Accordingly, I applaud the British Deaf Association's learn to sign week. By encouraging non-deaf people to learn to sign, we will increase the inclusion of the deaf community and interact more with it. We never know when we will need to be able to sign. An encounter with a deaf person will not be placed in advance in the diary. The ability to sign increases people's potential and widens their experiences and opportunities. The skill sets them apart from many people in the workplace. I am pleased that most high street banks and many other businesses have a signing interpreter these days.

I am pleased that, as has been mentioned, part of the learn to sign week campaign has focused on primary schools, because nowhere are people keener and more able to learn and be introduced to the new skill. It has been proved that introducing children to a new language early develops the part of their mind that makes them more able to excel at languages later in life. Signing is a fun and stimulating activity that would benefit most primary classrooms and break up the day. Accordingly, I hope that schools throughout Scotland will consider introducing signing into the wider curriculum.

The Scottish counterpart of the British Deaf Association, the SDA, has a valuable role in Scotland. I support those who promote a wider understanding of signing and deaf issues, particularly in our education system. As a former teacher, I am only too aware that many problems that arise later in life can and should be tackled initially in the classroom. Schools are a place not only to teach children how to add and spell, but to prepare them for the outside and adult world that they will soon enter.

The technology revolution has affected us all, none more so than those in the deaf community. I am pleased that so much time and investment has been put into new products and technologies that have improved deaf people's way of life. We now have the textphone system as well as the sign video relay service, which is a brilliant system to enable communication over the telephone—a third party sees the customer signing and interprets orally to the person at the other end. Such innovations increase inclusion among the deaf and hearing communities. In addition, a wealth of products that use lights and flashes, such as alarm clocks, baby monitors, doorbells and smoke alarms, are available. Those have an equally important role.

To return to teaching, the one big advantage that deaf teachers have over ordinary teachers is that, when kids cause havoc at the back of the class, most teachers do not have a clue what they are saying, but a deaf person who can lip read knows, which I consider to be a distinct advantage in teaching.

I support the breaking down of barriers, a more inclusive society, an attack on discrimination and the desire for every Scot to reach his or her full potential, which is why I am pleased to support Cathie Craigie's motion.

17:33

The Deputy Minister for Communities (Johann Lamont): I pay tribute to Cathie Craigie's persistence and commitment in pursuing the issues. I have known Cathie since we entered the Parliament in 1999. From the beginning, she has been an advocate for deaf people and has worked tirelessly with organisations that represent deaf people to secure change. I congratulate her on securing the debate and on being an important part of the process by which the Scottish Executive has sought to address the issues that deaf people have highlighted to us.

I am pleased to speak in this debate to mark learn to sign week 2006, which provides an opportunity to highlight and commend the work of the British Deaf Association and the Scottish Deaf Association to raise awareness of the barriers and

discrimination that deaf people face, to address those issues and to improve linguistic access for deaf people in Scotland through the no need to shout ... just learn to sign! campaign. That primary schools in particular are embracing the campaign is welcome. Our children can teach us much about the importance of learning to work with people throughout our communities. Their desire to learn should be an inspiration to us all. I am glad to be able to lend the Executive's support to this important campaign, which challenges us all.

We know that communication is vital to full participation in society, whether at the office or going to the shops. The Executive has long recognised that deaf people in Scotland do not have the same opportunities as hearing people. To address that, we undertook a number of years ago to examine the issues around British Sign Language, particularly interpreting, which makes such a practical difference to people's lives. We have done that in partnership with organisations that represent deaf people.

I am pleased to say that as part of our work to support British Sign Language in Scotland, we have recently agreed funding for the Scottish Deaf Association to support continuation of its BSL cultural development in Scotland project, which will promote deaf culture throughout Scotland and establish for the first time a focal point of cultural resources for the deaf community; increase the number of qualified deaf BSL teachers and assessors by providing training, assessment and support for them; provide sign language classes and deaf equality training in order to help remove the communication barriers that exist between the deaf and hearing communities that currently cause the isolation and exclusion of deaf people that have been highlighted in the debate; and enable the SDA to organise cultural events open to all to encourage a greater understanding of deaf culture and provide the opportunity for meaningful interactions.

In addition to that support, the Executive is delivering a range of measures to improve linguistic access for deaf, deafblind and hard of hearing people. I will mention some of those. There is an important recognition and acknowledgement by the Executive and by organisations that represent deaf people that we are in this for the long term. In the long term, we wish to make a real change.

I was privileged to be at the launch of the graduate diploma at Heriot-Watt University and to hear Professor Carol Padden from America speak at that event. It was a great event because it was so enthusiastic. There was such energy there and a recognition of the important work that was being done.

We are committed to doubling the number of BSL/English interpreters and are funding a number of projects to help us deliver that commitment, including £360,000 over four years to the Scottish Association of Sign Language Interpreters to work in partnership with Heriot-Watt University to develop and deliver a graduate diploma in teaching British Sign Language tutors. We are continuing to work with our BSL and linguistic access working group, of which the Scottish Deaf Association is a critical member, to discuss the issues at the heart of linguistic access in Scotland and to help develop the Executive's approach to increasing linguistic access for deaf people. In an exciting development, we are in the process of appointing a BSL and linguistic access project manager to work in the Executive for 11 months, to support our BSL and linguistic access working group. The project manager will work with the group, the wider deaf community and colleagues throughout the Executive to develop a road map for improving linguistic access in Scotland.

To respond to Cathie Craigie's point about languages funding, since 2001, the Scottish Executive Education Department has provided education authorities with approximately £4 million a year to support languages learning and teaching. We have always been clear that that money can be used to support the teaching of any foreign languages—it is up to the local authorities to decide which, based on the staff they have available and the needs of their pupils. However, in offering the languages funding for 2006-07, we specifically asked education authorities to work towards providing a diverse range of languages for young people in schools so that they have the opportunity to try lesser known or community languages, such as Urdu. While the original aim of the funding was to support the teaching of foreign languages, there may be cases in which authorities could use it to support the teaching of BSL. That would be an interesting development.

To help us learn more about the needs of BSL users, we commissioned research on access to public services in Scotland using British Sign Language. The research highlighted the difficulties that deaf BSL users experience in accessing public services. In particular, the research found that BSL users were almost never able to access public services directly in BSL; that the lack of available interpreters sometimes led to the use of people who were not fully qualified, which could lead to poor quality relay of information and concerns about confidentiality; and that deaf people considered that there was a lack of deaf awareness among public service employees.

To inform our next steps, we are working with our BSL and linguistic access working group to consider that research along with the SASLI

training strategy group's report "Creating Linguistic Access for Deaf and Deafblind People: A Strategy for Scotland", which has been instrumental in helping us to develop the Executive's approach to increasing interpreter numbers.

As an employer, the Scottish Executive is delighted to support the learn to sign initiative and will provide taster sessions for staff. Indeed, I was talking today to staff who have taken up that opportunity. We will also encourage staff to look beyond the taster sessions to undertake longer courses and we hope that the initiative will make a lasting contribution to the Executive and its staff.

We recognise that there is still a long way to go and that there is a need for further action to enable deaf people to have equal linguistic access in Scotland. We are committed to working with the deaf community to ensure that we make real improvements to deaf people's lives. Learn to sign week is an important element in creating positive change. I encourage people to take part in it and to take up the opportunities that are available to learn to sign. We have worked closely with the Scottish Deaf Association and others on developing action and we aim to continue that critical partnership. We are driven and determined to continue the work.

I congratulate Cathie Craigie on securing the debate and look forward to the important work that will continue in the Executive and elsewhere to ensure equal access for people from within the deaf community.

Meeting closed at 17:41.

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