



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# MEETING OF THE PARLIAMENT

Thursday 19 September 2013

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# Scottish Parliament

Thursday 19 September 2013

[The Presiding Officer *opened the meeting at 11:40*]

## General Question Time

### Court Closures

**1. Iain Gray (East Lothian) (Lab):** To ask the Scottish Government what progress the Cabinet Secretary for Justice has made on implementing plans for the introduction of videolink facilities and family hearings in those towns where courts are to close. (S4O-02402)

**The Cabinet Secretary for Justice (Kenny MacAskill):** The Scottish Court Service commitment was to establish a videolink in the vicinity of the town where a sheriff court would be closing. The SCS is introducing that in phased stages and plans are well advanced for those closing in November 2013, with potential sites identified and evaluation work under way.

**Iain Gray:** The cabinet secretary's answer reveals that the words that were given to those courts that are closing in 2015—for example, the one in my home town of Haddington—were indeed just warm words to take the sting out of an unpalatable decision. Indeed, the Crown Office has recently confirmed that the fiscal office in Haddington will also close as a result of the decision, which will mean another huge vacant site in the middle of my home town's high street. I thought that the cabinet secretary believed in community payback by vandals, so when is he going to start paying Haddington back for his vandalism in closing the town's courts?

**Kenny MacAskill:** Mr Gray will be aware that Haddington court is not due to close until January 2015. Clearly, for the courts that are closing before then, work is on-going. Matters change and times change, as Mr Gray will remember. I have been checking and I note that all out-of-hours emergency child protection orders for Lothian and Borders, including cases in the jurisdiction of Haddington sheriff court, are actually dealt with in Edinburgh sheriff court. That arrangement has worked well since 1999. I know that at that stage Mr Gray was not the elected representative for East Lothian, but I recall that he served as a justice secretary for the then Scottish Executive, so he would have been aware of the arrangement that I have described. Therefore, it seems to me that Mr Gray is being rather hypocritical. When steps were taken to protect children when he was in office he made no criticism, but when steps are taken to progress justice overall, as we face

tightening budgets from south of the border and the Scottish Court Service protects the integrity of the system, Mr Gray is critical.

**Roderick Campbell (North East Fife) (SNP):** I understand from my correspondence with the Scottish Court Service that it is setting up transitional planning groups to oversee the transfer of business from courts that are closing, such as Cupar sheriff court. Will the cabinet secretary assure me that the Scottish Government will do all that it can to assist those transitional planning groups to bring forward plans, including on rolling out video facilities and family hearings?

**Kenny MacAskill:** Absolutely. I have every confidence in the Scottish Court Service taking forward those plans and working with stakeholders. The SCS intends to address the needs of vulnerable witnesses as a priority and will build on the platform of this provision to examine opportunities to extend the use of video technology within the terms of current and future legislation and to apply it to other types of procedure and hearings, including family hearings. I can give Mr Campbell the commitment that the matter is being taken forward for the particular community in which he lives. However, it is also the case that the Scottish Court Service, in conjunction with the judiciary, is seeking to extend video technology as much as possible in order to make justice better and simpler and to provide protection, especially for vulnerable witnesses.

**John Scott (Ayr) (Con):** The cabinet secretary will be aware of mobile banks, mobile libraries, mobile breast-screening units and mobile magnetic resonance imaging scanning units, all of which can be moved by road to appropriate destinations. Has he considered the possibility of creating similar mobile court facilities as an alternative to videolinks to meet the legitimate concerns of people, particularly witnesses, about having to travel very long distances to give evidence?

**Kenny MacAskill:** That is an interesting thought. It would not be a matter for my domain, because ultimately it is one for the Lord President and the Scottish Court Service. However, Mr Scott's suggestion is an appropriate one, and courts have always had the ability to be mobile. For example, as a defence agent, I have in the past taken evidence in people's houses and attended at people's hospital beds when sheriffs took evidence there. Therefore, such mobility is available when there is a clear need for it because individuals are unable to attend court, as Mr Scott will have seen even on television when locus visits are carried out.

We already have, I think, a system that allows the flexibility to ensure that certain matters can be dealt with. However, I am happy to feed Mr Scott's

suggestion back to the Lord President when I meet him later this week. I am sure that he will take it on board, because he understands the requirement for people to have access to justice.

**Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP):** I refer the cabinet secretary to the closure of Peebles sheriff court and to page 6 of the document "Proposed Joint Feasibility Study to Review Future Delivery of Justice Services in the Scottish Borders", which states:

"all opportunities to provide a technology solution will be investigated."

Can I take it that that will not be in place of the proposed justice centre in Galashiels?

**Kenny MacAskill:** The work on technology is on-going. As I mentioned to Mr Campbell, it relates not simply to the courts that are due for closure, but to the making justice work programme across the judicial sector in Scotland. These matters are not an either/or; they are not mutually contradictory. I understand that the Scottish Court Service has already had bilateral discussions with Scottish Borders Council and that a remit for a feasibility study has been agreed between the Court Service, the council and justice organisations to assess the most efficient, effective and economically advantageous method of future provision of an integrated justice service for the Borders. The feasibility study group has met and is taking forward wider engagement with Victim Support Scotland, Scottish Women's Aid and other such organisations.

### Road Safety Education

**2. Lewis Macdonald (North East Scotland) (Lab):** To ask the Scottish Government whether the participation of police officers makes a positive difference to road safety education in schools. (S4O-02403)

**The Cabinet Secretary for Justice (Kenny MacAskill):** Police Scotland is committed to partnership working on road safety issues. It has established the trunk roads unit, supported by 14 divisional road traffic units, to ensure that there is national co-ordination of local delivery of roads policing.

Within Mr Macdonald's area, it is for Chief Superintendent Mark McLaren, as the local commander, to work with local partners to shape and deliver road safety engagement. I understand that there has been direct engagement with pupils to support safety on the roads at Markethill primary school in Inverurie and at Fochabers school, and the police are working with Moray Housing Partnership in response to road safety concerns. In addition, Police Scotland is engaged in the safe drive, stay alive campaign, the A947

study group and the be a better biker courses, and it runs a number of car-seat clinics at a variety of locations across the area to provide better advice and guidance to parents.

**Lewis Macdonald:** Does the cabinet secretary agree that the principle of preventative spend should apply to road safety as well as to other areas and that police investment in road safety education is a good way in which to spend to save? If so, how will Police Scotland continue to do that work in regions such as the north-east, where the police have previously been active in road safety education? In particular, how will the police approach community planning in order to continue the good work that Grampian Police did as a community planning partner?

**Kenny MacAskill:** I do not think that it would be appropriate for me to comment for the police. If Mr Macdonald has a particular question, he will no doubt put it to Mr Murray, who is head of the road policing unit. However, it is appropriate to point out that road safety is taken very seriously not just by the police but by the Government. In addition, section 39 of the Road Traffic Act 1988 places a statutory duty on local authorities to promote road safety, undertake studies of road accidents and take steps to both reduce and prevent accidents. As a former transport minister, Mr Macdonald will be aware of that, and doubtless he will have taken it on board as a former justice spokesman.

Under the 1988 act, primary responsibility lies with the local authority but, as I mentioned, the police are doing everything that they can to work with others because everybody has a responsibility to keep people safe on the roads. The statutory responsibility for education rests with the local authority, and the police have statutory duties as part of the powers of the office of constable. I am sure that, together, they will help to make Scotland's roads safer still.

**Alison McInnes (North East Scotland) (LD):** Road safety has, until now, involved a multi-agency partnership. Five core partners are defined in statute for the community planning process, the police being one of them. What does the future hold for community planning in the light of the chief constable's reported view that Police Scotland is "not a solutions agency" but "a restraining agency"?

**Kenny MacAskill:** Having spoken to Steve House, I think that people should listen to what he says and not necessarily what he is reported or alleged to have said.

The position here goes back to the point that I made to Mr Macdonald. There is an issue. We face problems in a variety of areas. It is not the case that there are problems only in rural areas, but there are particular problems in rural areas of

Aberdeenshire, Fife and the south-west of Scotland with young men, in particular, losing their lives. We have seen tragedies, and we have to educate those in schools and who go on the roads to avoid further needless deaths. That is a responsibility for each and every one of us.

The police have looked at this matter, and it is quite clear that the statutory duty rests with the local authorities—I know that from experience here in the city of Edinburgh, having been with the local authority, the education department and teachers and having been present when local police officers have come in. The issue is how we work together. Each has a particular role to play; we can and must make Scotland's roads safer but we need to work together on the issue.

Equally, there are certain issues with regard to taking action on the roads over which only the police, through the office of constable, have powers and there are other issues under the Road Traffic Act 1988 for which, as transport ministers and justice ministers know, responsibility rests with the local authority.

**The Presiding Officer (Tricia Marwick):** Before I call Stewart Maxwell for question 3, I must tell members that I really want to make progress through the questions and would therefore very much appreciate brief questions and answers.

### **Injury Surveillance Programme**

**3. Stewart Maxwell (West Scotland) (SNP):** To ask the Scottish Government what progress has been made on implementing an injury surveillance programme. (S4O-02404)

**The Cabinet Secretary for Justice (Kenny MacAskill):** Following the success of the assault injury surveillance model in Lanarkshire, the Scottish Government has recognised that the programme could be very valuable to both NHS Scotland and Police Scotland. We are working with a range of partners under the building safer communities programme to reduce harm to communities and to roll the programme out. In short, a project is under way that includes a national assault injury surveillance programme.

**Stewart Maxwell:** As the cabinet secretary will be aware, I first raised the issue of injury surveillance in 2005 and I remain committed to the belief that the measure will be effective. According to figures from the first year of trials at three NHS Lanarkshire sites, unreported crime is falling faster than reported crime and crime overall is steadily decreasing. I recently wrote to the cabinet secretary to urge the Government to press ahead with the implementation of an injury surveillance system across all national health service boards. What challenges has the Government faced in rolling out such a system?

**Kenny MacAskill:** I am grateful to Mr Maxwell for raising the issue and acknowledge his long-standing commitment to it. Although there have been problems with data sharing, they are being overcome and, in partnership with the violence reduction unit, we are now seeking to roll the project out nationally. I am grateful for the Lanarkshire pilot and Mr Maxwell's support and endeavour in driving the issue forward. I assure him that we are seeking to build on that commitment.

**The Presiding Officer:** Question 4 in the name of Mike MacKenzie has been withdrawn. The member has provided an explanation.

### **Scottish Court Service**

**5. Duncan McNeil (Greenock and Inverclyde) (Lab):** To ask the Scottish Government when the Cabinet Secretary for Justice last met the chief executive of the Scottish Court Service and what was discussed. (S4O-02406)

**The Cabinet Secretary for Justice (Kenny MacAskill):** I meet the chief executive of the Scottish Court Service regularly. The last formal meeting was on 26 March, when I was given an update on SCS plans.

**Duncan McNeil:** In the past three financial years, offenders in Scotland have received a staggering 450,000 warning letters for defaulting on their fines. On top of that, 200,000 court citations and 90,000 arrest warrants were issued for non-payment between 2009 and 2012 and, in my constituency, three offenders have amassed nearly 100 unpaid fines among them. Does the cabinet secretary accept that those figures show a serious weakness in our justice system? What is he going to do to address this serious problem?

**Kenny MacAskill:** I read Mr McNeil's press release prior to his question and can only indicate the following response: 89 per cent of the value of sheriff court fines imposed between 1 April 2009 and 31 March 2012 has been paid or is on track to be paid. This Government, through the Court Service is delivering. Changes have been made to improve the system that we inherited from our predecessors—for example, by allowing earnings to be arrested and people's caravans, cars and so on to be taken—and fine enforcement officers are delivering.

Much more could be done on, for example, court closures and enforcement if the Court Service had access to funds and was not facing cuts from the coalition Government south of the border, and I find it surprising that Mr McNeil prefers a system in which many of these fines, amounting to millions of pounds, routinely go to the Treasury in London instead of being available

for justice here in Scotland. Perhaps the member should consider that.

### **Average Speed Cameras (A96)**

#### **6. Nanette Milne (North East Scotland) (Con):**

To ask the Scottish Government what plans it has to install average speed cameras on the A96. (S4O-02407)

**The Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities (Nicola Sturgeon):** We have no plans to install average speed cameras on the A96 trunk road.

**Nanette Milne:** I thank the minister for that response and I am relieved to hear it, because similar opposition to that expressed in respect of the average speed cameras on the A9 has been expressed in Aberdeenshire in respect of average speed cameras on the A96.

What evidence has the Government been given that speed cameras have improved accident rates? Will the Government agree to publish detailed information on each speed camera site, including accident rates and how much has been raised in fines?

**Nicola Sturgeon:** I would be happy to discuss the issue in more detail with Nanette Milne. The question was about the A96 and, while there are no plans to install average speed cameras on the A96, the member will be aware of the safety improvements that have already been made on the A96 trunk road and the further improvements that are planned, including a recommendation to reduce the speed limit.

Nanette Milne will be aware that average speed cameras have delivered casualty reductions where they have been permanently deployed in the United Kingdom. That said, we need to consider carefully the suitability of the tool on a case-by-case basis. Detailed consideration has been given to ensure that such a scheme is fit for purpose on the A9. There are particular factors on the A9 around length, forward visibility, geometry, junction spacing and physical speeds, all of which have informed the decisions that have been taken.

As I said, I would be happy to discuss the matter with the member if she wishes.

### **Business Rates Incentivisation Scheme**

#### **7. Richard Baker (North East Scotland) (Lab):**

To ask the Scottish Government what recent progress it has made in taking forward the business rates incentivisation scheme. (S4O-02408)

**The Minister for Local Government and Planning (Derek Mackay):** I can confirm that

Convention of Scottish Local Authorities leaders took the decision, at their meeting at the end of May, that they did not want to consider the review of the 2012-13 business rates incentivisation scheme targets until the final non-domestic rates audited figures for 2012-13 are available. I can confirm that those audited returns are not due to be submitted until 31 January 2014, with the final validation not expected until 28 February 2014.

**Richard Baker:** The minister has confirmed that there is no agreement between councils and the Scottish Government that ministers were justified in the dramatic movement of the goalposts for the business rates scheme target that has meant that, for example, Aberdeen City Council will receive only £300,000 rather than £5.8 million to invest locally. When the review is concluded, will it mean that councils will be able to invest in one of the funds locally, and will the commitment that was given to councils by ministers be honoured?

**Derek Mackay:** Mr Baker has misrepresented the circumstances, I think. The same rules and the same agreement apply with respect to local authorities. They have asked for time to look at their own returns to ensure that they are properly audited, and the Scottish Government is more than happy to give them that time, so that they can make the right decisions with regard to this particular scheme.

We agreed that, if there were significant events, we would reconsider the targets. That is what has happened given a significant event in the shape of the loss of revaluation appeals.

Aberdeen will, of course, get what it is entitled to. However, Mr Baker should be aware, from studying the facts, that the overall rateable value of non-domestic properties in Aberdeen actually reduced by £4.3 million over that financial year. I am sure that Mr Baker will study the facts more closely in the future.

### **Home Energy Efficiency Programmes**

**8. Linda Fabiani (East Kilbride) (SNP):** To ask the Scottish Government what progress it has made on implementing the home energy efficiency programmes for Scotland. (S4O-02409)

**The Minister for Housing and Welfare (Margaret Burgess):** The HEEPS were launched on 1 April this year. To date, we have issued offers of grant for area-based schemes totalling just under £46 million, which will result in 25,000 to 30,000 households receiving around 40,000 measures to improve the energy efficiency of their home and help to tackle fuel poverty.

We have also signed memoranda of understanding with three energy suppliers to deliver the affordable warmth scheme. From April



to the end of August 2013, a total of around 3,500 referrals were made.

Finally, from April to the end of August 2013, around 2,100 referrals were made to the energy assistance scheme, with more than 700 completed installations reported.

**Linda Fabiani:** How many households have been helped by the scheme so far? Could the minister arrange for those figures to be collated?

**Margaret Burgess:** Yes, we will collect those figures and we will certainly keep the member up to date. However, I can tell her that £2.2 million has been allocated to South Lanarkshire Council.

## First Minister's Question Time

11:59

### Engagements

**1. Johann Lamont (Glasgow Pollok) (Lab):** To ask the First Minister what engagements he has planned for the rest of the day. (S4F-01559)

**The First Minister (Alex Salmond):** Engagements to take forward the Government's programme for Scotland.

**Johann Lamont:** Excellent. Writing in *The Guardian*, the First Minister's former head of policy, Alex Bell, the man charged with writing the white paper on independence until as recently as July this year, says of the nationalist movement that Alex Salmond leads:

"At its worst, it succumbs to the temptation to focus on old songs and tired policies. In this, Salmond is wrong."

Mr Bell goes on to suggest that he had difficulty in writing the Government's white paper on independence because the First Minister's arguments are false. He says of the task of writing it:

"Had the superficial elements of the independence argument been true, this would have been easy."

Is the First Minister's former head of policy right? If not, why not?

**The First Minister:** I will have to update Johann Lamont. I saw Alex Bell on "Newsnight Scotland" last night, and he was saying what a wonderful person I am. I was most gratified.

I agreed with a huge amount that was in the article in *The Guardian*. I thought that Alex Bell represented his arguments properly when he said:

"For many of us the nationalist case represents what the UK Labour party could be, if it had a spine".

He was being a bit aggressive towards the Labour Party, but I think that the Scottish population would basically regard the Labour Party—both in the United Kingdom and in Scotland—as a shiver looking for a spine to run up.

**Johann Lamont:** That was stunning. The dispute is not whether the First Minister is a wonderful person; it is whether he is right or wrong. For a supporter of independence to attack the Labour Party is perhaps expected, but it is a serious matter to hear Alex Bell—the man whom the First Minister chose to write the blueprint for an independent Scotland—express those views.

The future of Scotland is supposed to hang on the First Minister's long-awaited white paper. We deserve to know why the man who was writing it left the Government. Here is a clue. Mr Bell writes:

"Salmond has denied a crucial truth about the debate: Scotland's problems are common to the developed world".

If the First Minister cannot persuade those whom he hired to advise him of his case for independence, what chance does he have with the rest of us?

**The First Minister:** I point out to Johann Lamont that in last night's interview Alex Bell confirmed a range of things, including that he is a keen supporter of an independent Scotland. *[Interruption.]*

**The Presiding Officer (Tricia Marwick):** Order.

**The First Minister:** That is the decision that each and every one of us in Scotland is going to be asked to make.

Johann Lamont's idea that everybody in the same political party should be in agreement is a fantastic one. I have been looking at some of the things that have been said about the Labour Party. In the *Sunday Herald* of 30 June 2013, we read:

"Labour's finance spokesman Ken Macintosh was dropped in Johann Lamont's reshuffle because he dared to criticise her infamous speech about Scotland's 'something for nothing' culture".

Alex Bell last night made it absolutely clear that he will vote yes in the referendum. We do not know whether Ken Macintosh has succeeded in knocking Johann Lamont off her something-for-nothing culture.

**Johann Lamont:** Only in the First Minister's world does somebody saying that Alex Salmond is wrong mean that Alex Salmond is right. Alex Bell may support independence, but he agrees with me that we should address the long-term problems such as pensions and an ageing population. However, he lost that argument with a First Minister who always and ever puts his own interests ahead of the interests of the people of Scotland.

If Alex Bell were a one-off, we could understand it, but the First Minister has form. What did his Nobel laureate adviser Professor Joseph Stiglitz say of his corporation tax plans? He said:

"Some of you have been told that lowering tax rates on corporations will lead to more investment. That fact is not true."

What about Alex Salmond's former economic adviser Professor John Kay? He described the First Minister's claims as "cloud cuckoo land".

Does the First Minister ever reflect—*[Interruption.]* Well, we know that no one on the back benches will ever say the words, "Alex Salmond is wrong," so someone else has to say it for them. Does the First Minister ever reflect that perhaps it is not his advisers who are wrong but he who is wrong?

**The First Minister:** The evidence is that, if someone in Johann Lamont's shadow cabinet says that she is wrong, they end up in the back benches. *[Interruption.]*

**The Presiding Officer:** Order.

**The First Minister:** In some cases, they return to the very back benches.

I commend to Johann Lamont the transcript of what Alex Bell had to say on "Newsnight Scotland" last night. I will not read that out because it is too glowing in its praise.

**Members:** Aw!

**The First Minister:** Oh well—

**The Presiding Officer:** Just give us a flavour, First Minister.

**The First Minister:** Alex Bell said:

"It has been an immense privilege to work for the Government of Scotland. We have done some fantastic things. Alex Salmond has won a series of elections ... There was no fallout. We are much closer than we were when we first worked. There is a lot of compassion there. But I just felt, if it wasn't going to be the argument that I would make, that I should step aside."

In terms of people gracefully stepping aside from Government, Alex Bell is a paragon of virtue. What he said should not be used by Johann Lamont to suggest that he is anything other than a keen supporter of the yes campaign on Scottish independence.

**Johann Lamont:** Presumably, when the rest of Scotland is now disagreeing with Alex Salmond, it gives him some comfort to read out nice words about himself. However, perhaps he should take things a little more seriously and reflect on what Alex Bell has actually said. People across Scotland are finding the First Minister increasingly deluded and unconvincing. No wonder the First Minister's old deputy, Jim Sillars, has said of the Scottish National Party:

"Totalitarian would be a fair description of Scotland's majority party." *[Interruption.]*

And totalitarianism does involve shouting people down.

On a host of issues that are important to the public, which will need to be answered in coming debates on independence, the evidence is that no serious work has been done. Those willing to be told to shut up seem happy to follow whatever line is laid down for them.

Today, the Institute for Fiscal Studies has said that the First Minister has a £5.9 billion black hole in his finances—something that he ignored when John Swinney pointed it out to him in private months ago. Is it not true that the people of Scotland do not believe what he says about

independence and that even his own side do not believe him any more?

**The First Minister:** First, a correction regarding the Institute for Fiscal Studies report is that the IFS ran a range of scenarios. I suggest that Johann Lamont looks at page 8, where it says:

"However, if North Sea revenues turn out to be substantially stronger than the OBR forecasts, the fiscal situation in Scotland might actually be somewhat stronger than that for the UK as a whole for the first few years of independence."

One thing to say about the scenarios that show a stronger fiscal position is that the oil price figures are taken from the Department of Energy and Climate Change, so those were London-based forecasts as well. I thought that David Phillips, who is the senior economist at the IFS, was pretty fair-minded on the radio this morning. Johann Lamont should quote the report properly and in the full context.

On the question of trust, which was Johann Lamont's key question, we now have considerable evidence from this very morning from the YouGov poll on what people say about independence. Now, no politician emerges dramatically as being incredibly trustworthy, but that is perhaps not surprising—I top the poll, but nonetheless no politician emerges unambiguously. What is really interesting about Johann Lamont's figures is that—according to this YouGov poll, which the no campaign has been citing—her total trust figure on the constitutional question is 16 per cent. That is for the Opposition leader in Scotland. Of course, that might be because, according to the poll, a majority intend to vote for the Scottish National Party, but let us look at what Labour Party voters—her own supporters—say. One question asked whether Labour supporters trust Johann Lamont on the constitutional question. A majority of Labour supporters—44 per cent—do not trust the Labour leader on what she has to do on independence.

If we are in a situation—as that poll indicates—in which even Labour supporters in Scotland do not trust the Labour leader, it is hardly surprising that those of us who are arguing for a positive future in Scotland look forward optimistically to the campaign over the next year.

### Prime Minister (Meetings)

**2. Ruth Davidson (Glasgow) (Con):** To ask the First Minister when he will next meet the Prime Minister. (S4F-01554)

**The First Minister (Alex Salmond):** No plans in the near future.

**Ruth Davidson:** I will take us back to the Institute for Fiscal Studies report, which the First Minister says we should quote properly and in the

full context. Yes, the IFS did say on page 8 of the report the words that the First Minister read out, but the very next line stated:

"But doing this might be ill advised."

Let us quote the IFS properly and in the full context. That does not get us away—[*Interruption.*]

**The Presiding Officer:** Order. Let us hear Ruth Davidson, please.

**Ruth Davidson:** It does not get us away from the central projection, which is that an independent Scotland would start life with a £5.9 billion black hole in its finances over the first few years.

To continue the theme, I ask the First Minister: is the IFS wrong?

**The First Minister:** I am not going to let Ruth Davidson away with that—unfortunately for her—because I have the full quotation here. It says:

"In this case, an independent Scotland would, in principle, be able to cut spending or increase taxes by less than if it remained part of the UK."

The report goes on to say that that "might be ill-advised" because it might be better to borrow less or to save more. Only in the topsy-turvy world of the Conservative Party could a fiscal advantage, in that scenario, be presented as a weakness.

It wasnae a great start for Ruth Davidson, in quoting the IFS, to stop before she put her remarks in context. When she asks her second question, will she confirm that what I have said about the quote on page 8—

**Ruth Davidson rose—**

**The First Minister:** Read out the full quote: the bit where it says that it might be wiser to take that "stronger fiscal position" and, instead of spending more or cutting less than we will be able to do if we stay in the UK, to invest for the future or to borrow less.

Read out the full quote, and then we will answer the second question.

**Ruth Davidson:** In answering the question, the First Minister once again chooses to pick one scenario and ignore—[*Interruption.*]

**The Presiding Officer:** Order.

**Ruth Davidson:** And ignore the IFS's central projection, which is a £5.9 billion black hole in the finances.

It is not just the IFS report with which the First Minister wants to show us a shiny thing in the corner and lead us away. This week, we have heard from the National Institute of Economic and Social Research, following on from the independent Office for Budget Responsibility, the

Centre for Public Policy for Regions, the Institute of Chartered Accountants of Scotland, the Confederation of British Industry Scotland, named experts such as Professor Brian Quinn and Professor John Kay, the British Insurance Brokers Association and the David Hume Institute.

All those organisations are raising questions about the First Minister's economic case for independence. All are experts in their field, and none has an axe to grind, but they have been dismissed, disparaged or ignored by the First Minister. They should not feel special because, as we have just heard, he does that to his closest adviser, Alex Bell.

The First Minister may stand here today and say, "I'm a wonderful person", but a really unpleasant picture is building up of a bunker mentality and a man who refuses to be challenged, to take advice or to engage at all. How can it be that all those experts just do not get it, while the First Minister alone is always right?

**The First Minister:** I think that everyone knows why Ruth Davidson did not want to read out the rest of the quote. Listing all those things that I am meant to do to experts was, given that Ruth Davidson started by not giving the full quote from—and perhaps misquoting—one of the reports, rather an unfortunate way for her to make her case.

I thought that the report summary from David Phillips this morning was very fair-minded; he says, of course, that the IFS drew on the OBR's projections. We have discussed before what is wrong with the OBR projections. They forecast an oil price that is lower than everybody else and substantially lower than that forecast by the Department of Energy and Climate Change, which gives us the alternative figures.

We can forecast as much as we like, but we know what has actually happened over the past few years. We know that, between 1980 and 2011, Scotland ran an average net fiscal surplus of equivalent to 0.5 per cent of gross domestic product while the UK ran a deficit of 3 per cent. We also know that, according to the Institute for Fiscal Studies, since 2000 Scotland's public finances have been estimated to be somewhat stronger than those of the UK.

Those are things that have actually happened. In that entire period of history, the Conservative Party was never once prepared to acknowledge that, year after year, Scotland was in relative surplus with the rest of the United Kingdom—that we could have invested more, borrowed less or saved more according to the fiscal position—so why on earth should we now accept from the Conservative Party forecasts about the future?

I will make two final points. First, I would not rely too much on the OBR. It is forecasting that the UK will be in fiscal deficit for the next 50 years—if Ruth Davidson wants to accept its forecasts.

Secondly, as far as people showing loyalty is concerned, I refer to the remarks in *The Scotsman* of 23 May from Murdo Fraser, who said that the Scottish Tory party

"in its current manifestation is"

not

"the best vehicle"

for its supporters,

"trapped in a vicious cycle of declining electoral support".

That is a Tory MSP. If you are not even prepared to read out a quotation that you introduced, it is hardly surprising.

**The Presiding Officer:** We have a constituency question from Kenneth Gibson.

**Kenneth Gibson (Cunninghame North) (SNP):** The First Minister will be aware that the Z Hinchcliffe & Sons Ltd factory in Dalry in my constituency is set to close. Z Hinchcliffe was founded in 1776 and produces quality yarn, which is sought after by some of the most prestigious fashion houses in the world. Sadly, the company feels that it now has too much capacity for its market.

Although a few employees will be offered a transfer to Denby Dale near Huddersfield, the Dalry closure will lead to the loss of up to 115 jobs. Will the First Minister ensure that the Scottish Government works with the directors of Z Hinchcliffe & Sons to offer any assistance that it can to mitigate potential job losses and assist those employees whose jobs are under threat?

**The First Minister:** I share the member's concern at the developments in respect of Z Hinchcliffe & Sons and the impact that they will have on the employees affected, their families and the surrounding area of North Ayrshire.

I confirm that we received notification of the redundancies yesterday and took immediate action through the partnership action for continuing employment—PACE—team initiative. We contacted the company to offer support for any individuals facing redundancy.

I also confirm that our agencies will seek to meet the company to discuss what assistance we can provide to support it and, we hope, to prevent some or all of the redundancies.

We will do our absolute best, and I hope that that provides reassurance to the member that we will do everything that we can to support the company and employees.

### Royal Mail (Privatisation)

**3. Dennis Robertson (Aberdeenshire West) (SNP):** To ask the First Minister what the economic impact will be on Scotland of the privatisation of the Royal Mail. (S4F-01561)

**The First Minister (Alex Salmond):** I think the economic impacts—[*Interruption.*] I hear “none” from the Conservative or Liberal members. They are deeply out of touch with the feelings of people, particularly those of people in rural Scotland, because the economic impacts of the privatisation are potentially grave. A privatised service will be more concerned with increasing profits than delivering services and could damage Scotland, where the Royal Mail is the lifeblood of rural communities.

Royal Mail is a shared asset that belongs to Scotland as much as to the rest of the United Kingdom. Therefore, I have written to the Prime Minister asking him to place a moratorium on the sale of the Royal Mail until after next year’s referendum. No one should be able to prejudge the decision of the people of Scotland on who should be given the opportunity to decide what we should do with a huge and important national asset.

**Dennis Robertson:** Royal Mail has been under threat from consecutive Westminster Governments. Will the First Minister confirm that, after the yes vote in 2014, he will ensure that Royal Mail remains part of an independent Scotland?

**The First Minister:** Dennis Robertson is absolutely correct. I think that the defence of Peter Mandelson and Alistair Darling was that they were planning only a part privatisation of Royal Mail, as opposed to a full privatisation—they were half Tories as opposed to full Tories. [*Interruption.*]

**The Presiding Officer:** Mr Findlay.

**The First Minister:** I think that this issue goes to the nub of why Scotland needs independence. An overwhelming majority of Scotland’s MPs at Westminster opposed the sell-off of Royal Mail, but we are still faced with privatisation. That illustrates perfectly why important decisions about the future of our country, such as a decision on our cherished postal service, should be taken by the people who care most about Scotland—that is, people who choose to work and live here. That is why we should make every possible endeavour to keep our Royal Mail in public hands, and that is what we will do in an independent Scotland.

**Lewis Macdonald (North East Scotland) (Lab):** In the event that the Tory Government does indeed—regrettably—privatise Royal Mail, and in the event of a yes vote in the referendum, will it be the SNP’s policy to renationalise Royal Mail?

**The First Minister:** First, we will get a moratorium on the process. Secondly, we will try to stop it, and we will seek to bring Royal Mail back into public hands.

That answer is in sharp contrast to anything that we have heard from the Labour Party at UK level, not to mention the extraordinary extrapolations and muddle over the bedroom tax, so perhaps the member for North East Scotland will take a lesson in bringing forward into policy what he says that he believes in in terms of his politics.

**Gavin Brown (Lothian) (Con):** It is a sad day when the First Minister cannot even give clear answers to questions from his own back benchers.

For the third time, is the First Minister giving a clear commitment to renationalise—I emphasise the word “renationalise”—Royal Mail?

**The First Minister:** For the third time, an independent Scottish Government that I lead—that will be a decision of the Scottish people—will bring Royal Mail, our postal service, back into public ownership. [*Interruption.*]

**The Presiding Officer:** Order.

### Bedroom Tax

**4. Stuart McMillan (West Scotland) (SNP):** To ask the First Minister how the Scottish Government will spend the £20 million that it announced on 11 September 2013 to help people affected by the so-called bedroom tax. (S4F-01572)

**The First Minister (Alex Salmond):** The Government will provide local authorities with up to £20 million to enable them to increase their discretionary housing payment budget. That brings the total budget that is available this year for discretionary housing payments to £35.3 million, which is the maximum that is allowed under the powers of this Parliament. The additional money from the Scottish Government will be distributed to local authorities, and the exact amounts for each authority will be agreed with our partners in the Convention of Scottish Local Authorities. We know that that will give councils the ability to help many thousands of households that have been hit by the tax.

**Stuart McMillan:** I thank the First Minister for indicating his clear position on the bedroom tax, certainly for next year.

What further discussions or communications has the Scottish Government had with COSLA to ensure that the £20 million will be utilised as timeously as possible to help those who have been affected by the parties in the no campaign’s bedroom tax? Has the First Minister had any discussions with Johann Lamont regarding her position on the bedroom tax?

**The First Minister:** We will work very closely with COSLA to ensure that the money is used as quickly and effectively as possible.

I am not sure that speaking to Johann Lamont about her position on the bedroom tax would get much information, given that two weeks ago, when her deputy said that the Labour Party would abolish it tomorrow, she refused to answer on the other television station. Then we had the remarkable incident at the weekend, when Jackie Baillie said that Labour was about to announce plans to abolish the bedroom tax, only for the Labour Party in London to say:

“It goes against what we are saying”.

So, maybe it is a case of Jackie Baillie says aye, Labour says naw and Johann Lamont says mebbes aye, mebbes naw.

**The Presiding Officer:** I call Jackie Baillie. *[Interruption.]*

**Jackie Baillie (Dumbarton) (Lab):** Thank you.

**The Presiding Officer:** Order. Let us hear Ms Baillie.

**Jackie Baillie:** I know that the First Minister is fond of pointing a finger at others as a diversion rather than addressing the powers that the Scottish Government has now, but let us try again. He will be aware that £20 million represents less than half of what is required and that no budget is set aside for next year. Does he agree with his Deputy First Minister—she is whispering in his ear—who has refused to support a bill to protect people from evictions, because she says that it is unnecessary? Is he confident that no cases are in our courts this week to commence the process of eviction because of bedroom tax arrears?

**The First Minister:** The money that we are providing is the maximum that we can provide under the law as it stands. The only cases of which I have heard of a council trying to evict people because of the bedroom tax have been in North Lanarkshire, which has a Labour Party administration.

Jackie Baillie gave an extraordinary performance at the weekend, only to be contradicted by the United Kingdom Labour Party. She has unremitted gall in coming to the chamber to ask questions, given the Labour Party's pyrotechnics in the past few days.

I hope that we can expect a clear commitment from the Labour Party to abolish the bedroom tax and that we can have a clear commitment from it against evictions, like SNP councils six months ago and like the SNP on repealing the bedroom tax, which is—as we have pointed out—one of the great arguments for having an independent Scotland.

## Policing

### 5. Graeme Pearson (South Scotland) (Lab):

To ask the First Minister what the Scottish Government considers the impact will be on local policing of reported plans to replace local police officers with officers from other divisions on public holidays to avoid double-time payments. (S4F-01563)

### The First Minister (Alex Salmond):

Redeploying police officers according to operational need is not a new development across Scotland. For example, the former Strathclyde Police regularly redeployed officers from outlying areas to the city centre when that was needed.

No negative impact is expected as a result of the redeployment. The operational baseline in divisions will be maintained, and only officers who are above that baseline would be deployed to other areas to supplement local officers when necessary. That will ensure that we continue to provide visible policing in our communities, while delivering a more effective and efficient police service across Scotland.

**Graeme Pearson:** After discussions with a divisional commander, a local council leader said that they were dealing with

“these very difficult cuts”.

The Scottish Police Federation has expressed concern that no discussions led up to the development. The chief constable said in the *Aberdeen Evening Express* that he had insufficient budget to maintain police numbers. The City of Edinburgh Council's Labour-SNP administration has decided to review its current commitment to pay for additional local police officers to patrol its city; I have no doubt that other local authorities will follow that.

Given that, will the First Minister consider whether the cornerstone of policing success in Scotland since 1800—the maintenance of the policing of local communities by local police officers—

**The Presiding Officer:** We need a question, Mr Pearson.

**Graeme Pearson:** —is being abandoned as a result of the Government's actions, despite repeated assurances that the national police service would deliver community policing across Scotland's communities?

**The First Minister:** Graeme Pearson is being very unfair to Assistant Chief Constable Mike McCormick, who pointed out in *The Courier* that,

“As an employer, Police Scotland is also committed to safeguarding the welfare of its officers and staff. Utilising our resources from across the country to support operational requirements ensures locally-based personnel

are not required to work longer hours and allows them the opportunity to be released from duty on local public holidays wherever possible.”

There is a strong argument in what the assistant chief constable said.

On police officer numbers, it is fair to assume from Labour’s positioning that we have at least 1,000 more police officers on the streets and in the communities of Scotland than we would have had if Labour had been in power, since it has not once been prepared to support that policy.

As for police officers’ terms and conditions, any Police Federation representative will tell members that decisions that the Government has made to protect officers against the changes that are taking place in England and Wales not just in police numbers but in police terms and conditions have placed this country and our communities in a hugely superior position to that of those south of the border. Graeme Pearson well knows that any serving officer will confirm that position.

### **Fishing Quotas (Register)**

#### **6. Christian Allard (North East Scotland)**

**(SNP):** To ask the First Minister when a publicly accessible register of fishing quota allocation holdings and transactions will be established. (S4F-01567)

**The First Minister (Alex Salmond):** Scotland’s fish quotas are an important national asset. The Government wants to see quotas in the hands of the active fishing industry and supporting its success, and not held as a speculative asset. We are currently working to establish a publicly accessible register of quota holdings, which will be launched later this year. The register will bring much-needed transparency to the quota system.

**Christian Allard:** I thank the First Minister for that answer, which I shall take first thing tomorrow morning to Peterhead fish market.

Does the First Minister agree that successive Westminster Governments have failed to protect the interests of Scotland’s fishing industry and that independence offers a far better deal for fishing communities in the north-east and across Scotland?

**The First Minister:** With independence, Scotland will have a direct say in fisheries negotiations and will at last be in a position to negotiate the best deal for our fishermen, rather than Scottish fisheries interests being treated in the way that they have been treated over the past quarter of a century and more.

I am not sure that members know of the release under the 30-year rule of the infamous civil service memo about the Heath Government’s negotiations to enter the Common Market, all those years ago,

that pointed out that, in terms of Britain’s wider European interests, they—the Scottish fishermen—“are expendable”. That was written by a civil servant. If we look at the lack of priority that was given to the fishing industry by Westminster in European negotiations over those years, we will see that there is absolutely no doubt that Tory and Labour Governments regarded fishing as expendable. In an independent Scotland, it will be one of the great natural resource industries of Scotland and will be defended properly.

## Dunoon to Gourock Ferry Service

### **The Deputy Presiding Officer (John Scott):**

The next item of business is a members' business debate on motion S4M-07597, in the name of David Stewart, on the Dunoon-Gourock ferry action group. The debate will be concluded without any question being put.

### *Motion debated,*

That the Parliament supports the work of the Dunoon-Gourock Ferry Action Group (DGFAG), which aims to improve ferry services; understands that the DGFAG was formed on 24 November 2011 as a result of the strength of feeling in the community about the service; notes that its mission statement is to get the Scottish Government to deliver a frequent, safe, reliable, vehicle and passenger ferry service between Dunoon town centre and Gourock; understands that the DGFAG considers the current service to be inadequate; notes that it aims to lobby the Parliament on 19 September 2013 and believes that this will give members an opportunity to speak to the DGFAG about its concerns, and notes calls for the Scottish Government to take further steps to secure a passenger and vehicle ferry between Dunoon and Gourock.

12:34

### **David Stewart (Highlands and Islands) (Lab):**

This is an important debate for Argyll and Bute and beyond, and I appreciate MSPs' attendance in the chamber. I thank the members who have signed my motion. For those who have not done so, of course I always welcome sinners who wish to repent.

This is not a debate about any old ferry crossing; it is about students getting to college, teachers commuting to schools and retired farmers getting to hospital.

As members will know, earlier today the Dunoon-Gourock ferry action group braved the elements to campaign outside Parliament, and had the opportunity to meet MSPs. They want to ensure that there is a suitable service on this vital lifeline route. I welcome the group to Parliament, in their vantage point in committee room 5, and I thank the group's chairperson, Susanna Rice, and Professor Neil Kay and Ronnie Smith who have helped and advised me on ferry matters for many years—as they would, of course, help all MSPs, irrespective of political complexion.

Following the meeting of the DGFAG earlier today, it is clear to me that the deep feeling in the community that led to the formation of the group in November 2011 is as strong today as it was then. I had the privilege of attending and speaking at one of the action group's first organised public meetings in Dunoon, which attracted 550 local residents. Who says that public meetings are dead? I shared a platform with Mike Russell on an evening of heavy showers and storms when both ferry services were off, so we both had to drive via

the Rest and be Thankful, which is a misnomer if there ever was one. I was struck by the passion, engagement and, indeed, anger of local residents about the failure of ferry services. Following its inception, the group settled on a mission statement calling on the Scottish Government to deliver a frequent, safe and reliable vehicle and passenger ferry service between Dunoon town centre and Gourock rail terminal.

The Gourock-Dunoon route even has its own historians who know every nuance of the Deloitte & Touche report, "Options for the Future of Ferry Services between Gourock and Dunoon", which is the holy grail and the genesis of this debate, but an ordinary Dunoon-Gourock commuter does not have to read the report to know that the service is inadequate. Alex Neil described the MV Ali Cat, one of the boats on the service, as "not fit for purpose".

In the chamber today, however, we know that the Dunoon-Gourock service involves much more than going from A to B. It is much more than a simple transport system and entails much more than interpretations of some obscure maritime cabotage regulation. It concerns a community's sense of identity, economic regeneration, and freedom to access jobs, health services and leisure.

Where do we go from here? In the brief time that is available I will not rehash the chequered, confused and sometimes conflicted history of the Gourock-Dunoon ferry services, which is well-documented in the excellent *Dunoon Observer and Argyllshire Standard*, which is represented here today.

### **Michael Russell (Argyll and Bute) (SNP):**

I congratulate the member on getting a debate on the Dunoon-Gourock ferry service. The only reason why I did not sign the motion is that ministers do not sign back-bench members' motions.

The success of the campaign for a reliable commuting route, which I thoroughly support, has always depended, and will depend, on the parties and communities working with the press and others. The work that Mr Stewart and I have tried to do together is part of the foundation of that campaign, as should be the case across this chamber.

**David Stewart:** It is important that we work with community groups and all political parties to try to achieve a solution to the problem.

MVA Consultancy's report, which was published in June for Transport Scotland, states:

"Given the assumptions made here, a passenger and vehicle ferry service would be feasible under a two vessel scenario. It could attract the level of market share, and



therefore generate sufficient incremental revenue, to cover the various incremental costs of delivering the service."

In my view we need Caledonian Maritime Assets Ltd to provide two purpose-built vessels that have been engineered for the crossing, and to consult the local communities on what they want in terms of on-board facilities. That would take between 18 months and two years according to CMAL. Vessels should, of course, be capable of carrying cars, but no cross-subsidisation would be allowed; it is not permitted under EU regulations.

In the event of Argyll Ferries not winning the next tender, vessels should go to the successful bidder, as happened when Serco won the NorthLink Ferries contract. The EU ruled that there could be a vehicle service on the route and that the Government could provide the vessels with service and require all bidders to use the supplied vessels, even if some of the bidders had vessels that would be cheaper.

There could also be a short-term option: to use the MV Coruisk as a temporary measure. That option was highlighted to me when I met the ferry action group in the Queen's hall in Dunoon recently. The MV Coruisk is a relief vessel in the winter; it takes cars and was used on the route in 2004. The Cabinet Secretary for Infrastructure, Investment and Cities may wish to refer to that in her response.

Another aspect to consider is that if we go ahead with two new-build hybrid vessels that use diesel and electricity, it might be possible to access the 2014 structural funds programme to partly fund the build, in the context of the low-carbon economy. Perhaps the cabinet secretary will agree to explore that with her officials.

The strength of Argyll and Bute communities is their resilience. I spoke recently to Dunoon lawyer Euan Macdonald, who described how the local area fought back when the United States Navy pulled out of the Holy Loch. Local activists rallied, campaigned and knocked together the heads of politicians until they developed a sensible and practical new option, which provided diversification and new jobs in the area. We need to reinvent that can-do attitude. A solution can be found, with two new vessels that are custom built for the crossing and are capable of taking cars. The time is right to think again. Argyll and Bute deserves better. Second best is not enough. Let me rehash an old political slogan: two boats or no votes.

12:40

**Stuart McMillan (West Scotland) (SNP):** I declare that my wife works for Caledonian MacBrayne. She is based in Gourock.

I commend David Stewart for bringing the debate to Parliament. I have never changed my

opinion on the Gourock-Dunoon ferry route; for the record, I say that I would like a return to a vehicle and passenger ferry on the route, which is the solution that many people have been campaigning for for some time. I recognise that the process is not easy.

My colleague Mike Russell MSP has been, and I am sure will continue to be, a strong voice in the campaign for a return to a passenger and vehicle ferry on the route. He is the member for the Argyll and Bute constituency, so I am sure that his support will be important as the campaign progresses.

I want a return to a passenger and vehicle ferry on the route for a number of reasons. It would provide town centre to town centre vehicle access and it would provide competition on the Clyde. I am sure that it would also have an environmental benefit, given that carbon emissions in Gourock would be reduced if vehicles did not have to go through the town to reach the Western Ferries route. I am also sure that the bigger ferry that would be required for the route would be more reliable and efficient. The current vessels are not perfect and it is clear that the MV Ali Cat is not reliable, particularly in the harsher months.

A vehicle and passenger ferry would bring economic benefits to both sides of the River Clyde. There might be an opportunity for a new ferry to operate on the route. Whether we were to get one ferry or more than one, as David Stewart proposed, and whether the new ferry was second hand or new, there would be advantages. The building of a new ferry or ferries would present opportunities for Clyde-based shipbuilders and others to tender for the work, which would bring even more economic benefits to West Scotland.

I appreciate that we must, as well as addressing the longer-term issue of returning a vehicle and passenger ferry to the route, address the short-term matter of the MV Ali Cat's unreliability. In the longer term, we must also address the issue to do with the EU, which has been going on for many years. In recent years there has at least been some movement to try to deal with the issue; in the past it has been sidelined and never fully taken on.

I commend the hard work, dedication and determination of all the campaigners who care so much about the route. In particular, I thank the members of the Dunoon-Gourock ferry action group, whose drive and focus are helping to progress the issue. I also thank the current cabinet secretary and her predecessor Alex Neil for ensuring that dialogue on the issue has continued, and for attempting to find short-term and longer-term solutions for the Gourock-Dunoon route.

12:43

**Jamie McGrigor (Highlands and Islands) (Con):** I congratulate David Stewart on securing the debate and I welcome constituents from the Dunoon-Gourock ferry action group to Parliament. They are to be commended for their efforts to highlight genuine and strongly felt local concerns, and for continuing to press the Scottish Government. A member of the group said to me today, "The town of Dunoon is dying, and it'll die quicker without a regular town centre ferry service." No one should forget that Dunoon is a gateway to the Highlands and to the Loch Lomond and the Trossachs national park.

I note from the motion that the DGFAG was formed in 2011, although I know that the strength of feeling goes back much further than that, including to a packed meeting—one of many—in the Queen's hall in Dunoon during the first session of Parliament, when Labour's own Sarah Boyack was Minister for Transport. She talked then about an integrated transport policy that included ferry, rail and road.

Ferries have quite rightly always been a hot potato in Dunoon. A new Forth road bridge is being built with public money—well done—but there is no chance of that on the Clyde, so adequate and reliable ferries are the next best option. The Scottish National Party promised that we would have them. I was there; I vividly remember the run up to the 2007 Scottish Parliament elections, when the then SNP candidate and subsequent constituency MSP for Argyll and Bute, Jim Mather—a very fine man—promised that there would be two new vehicle ferries on the town centre to town centre Gourock-Dunoon route. Local people know only too well that that promise was not fulfilled, as excuse after excuse was made and not even a rowing boat appeared. Instead, since July 2011, the service has been reduced to the Argyll Ferries passenger-only vessel.

As David Stewart said, local residents and visitors have understandably been angry and dismayed at the performance of Argyll Ferries, especially in bad weather, and the suitability of the vessels remains a big concern. The most recent figures that I obtained this week through a written answer demonstrate how poor performance is compared to Caledonian MacBrayne services. I know those other services very well because I use them often. Given that the Argyll Ferries contract is due to continue until June 2017, achievement of reliability on the route must be the key and immediate priority. Also, because the Argyll Ferries services are subsidised by the taxpayer, ministers ultimately have a duty to ensure their reliability, which is the very least that local commuters and visitors deserve. The 32 per cent

cancellation rate of Argyll Ferries sailings in March this year was simply not acceptable.

CalMac's record elsewhere is so good, so we must assume that Argyll Ferries' poor record is due to the wrong type of vessel being used. I understand the desire to be connected directly to Gourock railway station, although arrangements in the stations could also be improved. I also understand that the Government said that the vehicle service that has been taken away could be profitable.

Despite being let down by successive Scottish Governments over the town centre to town centre service, the residents of Dunoon and Cowal have, thankfully, been well served for the past 40 years by the alternative Western Ferries passenger and vehicle service, which is frequent, reliable and affordable. Its fares are cheaper than those on the subsidised service, but it receives not one penny of subsidy from the taxpayer. I am delighted that Western Ferries will soon have two brand new British-built vessels on the route—the MV Sound of Seil and the MV Sound of Soay—which will further increase Western Ferries' capacity and already exemplary reliability record. That demonstrates the company's commitment to the communities that it serves.

Before the removal of the subsidised vehicle-service town centre route in 2011, Western Ferries was carrying the majority of vehicles between Gourock and the Cowal peninsula. There is a good connecting bus service from Dunoon to Glasgow via Western Ferries, but it does not go to the railhead. I recognise that the DGFAG is continuing to campaign for a reinstated vehicle and passenger service on the town centre route.

I note that the Scottish Government's feasibility study has suggested that a vehicle and state-subsidised passenger service on the town centre route could be feasible, although many ferry industry operators remain sceptical about that. It is therefore for the Scottish Government to set out in detail on what basis such a ferry service could be feasible, and how it would comply with EU regulations on competition. If the vehicle service made a profit, that would satisfy the EU.

How much of the extra capital funding that is allocated for ferries in 2015-16 is specifically for the Dunoon-Gourock route? I look forward to hearing what the minister has to say on that subject.

12:49

**Rhoda Grant (Highlands and Islands) (Lab):** I also congratulate David Stewart on securing the debate. It is extremely important that it has come to Parliament. I also pay tribute to the DGFAG for its tenacity. Its members have been campaigning

for many years, and I am glad that they are in Parliament today to flag up their campaign. They have not only been pushing people; they have also been looking for solutions. Tribute needs to be paid to them for that.

I was in Dunoon recently and saw the MV Ali Cat coming in. I decided to go down to the pier to watch it berth. That was just out of interest; it was something to do because it was a lovely day for a walk. As I watched it come in, the nub of the problem was brought home to me; even on such a beautiful day, the gangway was moving in a way that we would expect a seesaw to move. It went up and down so much that I do not know how the people getting on and off the ferry were keeping their feet. Mums with buggies were not able to hold on to the gangway because they had to hold on to the children in their buggies. I cannot imagine the bravery of the older people who were trying to get on and off that boat. There were also people with bags of shopping, luggage and the like. It looked horrendous.

I am just not clear how any health and safety risk assessment could have allowed that ferry to sail, even in those conditions, as people must be able to get on and off safely. That needs to be looked at as a matter of urgency. Obviously such difficulties in getting on and off a ferry discourage people from using it, which will impact on jobs in the tourism industry. It will discourage people who might have been looking to come to Dunoon to create a business and to commute back and forth.

There is also the problem of the Rest and Be Thankful—the other route into Dunoon, which is longer. Last winter the road was closed on numerous occasions because of landslides, which would have cut Dunoon off had it not been for Western Ferries. People who do not have cars are least well served by the service, which is an equality issue. Those who cannot afford cars and so cannot drive to Western Ferries do not have the opportunity to look for jobs on the other side.

When I spoke to people in Dunoon I was told that young people who commute town centre to town centre for work have found that their employers have lost patience with them, because they were not turning up to work when they should because the ferry could not sail. Some of the problems that I referred to earlier arise when the ferry is sailing, but there are also difficulties for people who cannot get to work when the ferry does not sail—it is unreliable.

I also heard anecdotal accounts of people having to lie on the floor on the ferry and of people being thrown about, which was a terrifying experience. All that adds up to a lack of confidence in the service. Issues need to be addressed very quickly. We have heard warm words from the Government, but what we really

need is action. The solution is in the Government's hands. I hope that when the minister winds up we will hear her view of what that solution could be.

12:52

**The Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities (Nicola Sturgeon):** I am grateful to Dave Stewart for securing the debate as it gives me the opportunity to update members on our work with the ferry action group and others to bring about improvements, which are undoubtedly needed, to the Gourock-Dunoon ferry service. I thank the ferry action group members for the work that they do and I welcome them to the Scottish Parliament.

I am also very grateful to my colleague Mike Russell, the constituency MSP for Argyll and Bute, who has been absolutely assiduous in representing the interests of his constituents on the issue. Since I took on responsibility for the matter he has ensured that I am in no doubt whatever of the implications for his constituents of the problems that are experienced on the passenger service. I thought that Dave Stewart summed up those implications and the importance of the service very well in his opening remarks. Mike Russell has also ensured that I understand the strong local desire for restoration of a passenger and vehicle service on the town centre route, if that can be achieved. I thank Mike Russell for all that.

The service has a long history, which has led to the situation that we have heard described today. I do not think that there is anything to be gained by my trying to apportion blame for what has happened in the past. In the 12 months since I took on responsibility for the work, I have tried very much to focus on seeking lasting solutions, and have encouraged others to do the same. My predecessor, Alex Neil, established the Gourock-Dunoon ferry services steering group; of course, the action group has been an active member of that steering group, alongside Argyll and Bute Council and Inverclyde Council. I very much welcome the local knowledge and vital user experience that the action group brings to the discussions that we have.

The shortcomings of the current service are well documented. The weather reliability statistics, particularly for last winter, tell a very clear story. However, I stress that the situation is in no way the fault of the crews of Argyll Ferries' vessels, who strive to provide the best possible service under the understandably very close scrutiny of the users of the service. The hard fact is that the vessels—in particular the MV Ali Cat—have failed to perform reliably in poor weather.

**Jamie McGrigor:** I am sure that there were a lot of warnings that the Ali Cat was not going to be a good enough vessel, so why was it progressed with?

**Nicola Sturgeon:** I am more than happy to discuss such issues with anybody, but in the time that is available to me here I want to focus on the future and what we are doing to try to fix things. That is the approach that I have brought to the issue and I hope that Jamie McGrigor will forgive me if I focus on that in my speech. However, conversations about the other issues are had regularly, as I am sure he is aware.

I was talking about weather reliability. Given our prevailing Scottish weather, ferry services can be, and often are, affected by conditions, but the level of disruption last winter on the Dunoon-Gourock route was simply unacceptable. I have no hesitation in saying that. New vessels are needed, but to date we have not been able to source suitable replacement vessels from the market.

I have been exploring short-term options and can today propose two specific changes. First, following a proposal from the action group, Argyll Ferries has looked into making the more reliable MV Argyll Flyer the lead vessel, connecting with the fast trains from Gourock to Glasgow. Argyll Ferries is now ready to make that happen.

Secondly, I have been considering the options for the coming winter based on the vessels that are available in the wider CalMac fleet. Following consultation with Argyll Ferries and very careful consideration of the issues, I announce to Parliament today that I intend to approve the deployment of the MV Coruisk, when she becomes available this winter, to carry passengers on key peak sailings and to be on stand-by at other times. I stress to Parliament that the operational details of that must be finalised, but nevertheless I hope that my confirmation today will come as welcome news to the local people concerned.

**Michael Russell:** This is the first time I have intervened from the front bench.

My constituents will greatly welcome the Coruisk on the Dunoon-Gourock route. I presume that the operator will monitor the performance of the Argyll Flyer and the Coruisk in terms of reliability and keeping to the timetable so that we can avoid the difficulties of the previous winter.

**Nicola Sturgeon:** Yes. I can give an assurance that that will be the case.

In the time that remains to me, I will turn to the longer term, because obviously short-term solutions are only part of the story. Our stated policy objective is to provide

“a safe, reliable, frequent, commuter ferry service between Dunoon town centre and the rail terminal at Gourock”.

In addition, as we have said previously, our wish, like that of the action group, is that the service carry vehicles as well as passengers. During the European Commission’s investigation that concluded in 2009, we argued for the continuation of a subsidised town centre service. However, the existence of an unsubsidised service provided by Western Ferries persuaded the Commission that there was no public service need for a subsidised vehicle ferry service on the town centre route. That said, we were able to demonstrate to the Commission that there was a clear public service need for a subsidised passenger service and, furthermore, that the operator of the service could also carry vehicles at their own commercial risk. The Commission has recently reconfirmed those points to my officials. However frustrated members across the chamber might sometimes be by decisions like that, I hope and expect that everybody understands that we must comply with Commission rules and play by them.

We commissioned a study into the feasibility of providing a vehicle and passenger ferry service with only the passenger-carrying element receiving subsidy. Although Dave Stewart referred to the study in his opening speech, he did not point out that the study found that by using optimal passenger vessels a high level of reliability could be achieved, albeit with an increased subsidy. Dave Stewart did say, however, that the study also found that a vehicle-carrying service would be commercially viable if it received that same increased passenger subsidy. Therefore, we can achieve our objective of a safe, reliable and frequent commuter ferry service.

**David Stewart:** I thank the cabinet secretary for her comments about the Coruisk. As I highlighted in my speech, I am delighted that the Government is looking at that option. Just in case the cabinet secretary does not have time to discuss the longer term, if the Government is looking at purchasing two new vessels, will she ask her officials to look at the use of structural funds and see whether they can be provided, particularly for hybrid vessels? I believe that there are opportunities there that would reduce the cost to Government.

**Nicola Sturgeon:** I am happy to ask my officials to look at all the suggestions that have been made during the debate.

I finish by stating the Government’s intention, following publication of the MVA Consultancy report, to go forward and explore the potential for an operator that is prepared to take the commercial decision to provide a vehicle service. The operator would have to be able to demonstrate to the Commission that no subsidy that was paid for passengers was distorting

competition with Western Ferries for carriage of vehicles. However, my officials will engage with potential operators to test that commercial interest, and the steering group will have a role in that. I note the idea of a community enterprise company, which is also worthy of further exploration.

Once I have received and considered the feedback that we get from the exercise, I will be able to consult the steering group on the options and next steps. I would very much like those discussions to be completed this year so that we are able to move forward decisively and get on with putting in place the service that the people of Cowal and Dunoon need and deserve.

I hope that that has been a useful update on the work that the Government is doing. I also hope that the announcements that I made today for the short term will be welcomed, and that I have also managed to demonstrate the Government's commitment to ensuring that we do the right things for the long term to give local people the service that they deserve.

13:01

*Meeting suspended.*

14:30

*On resuming—*

## Scottish Economy

**The Presiding Officer (Tricia Marwick):** Good afternoon. The first item of business is a debate on motion S4M-07734, in the name of John Swinney, on Scotland's economy.

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** It is now five years since Lehman Brothers collapsed and the United Kingdom, along with much of Europe, tipped into recession. No one should underestimate just how challenging those years have been for the Scottish economy. Construction output fell by almost a fifth, and our gross domestic product fell by 5.6 per cent from its peak in quarter 2 of 2008 to its trough in quarter 4 of 2009. That is a smaller fall than in the UK, where GDP fell by 7.3 per cent, but there have still been severe impacts for Scottish businesses and Scottish families.

The recession called for dramatic action and for a serious response to the problems of the economy by those who had their hands on the levers of economic growth. Unfortunately, our recovery in Scotland has been hindered by the actions of the United Kingdom Government. In 2010, the chancellor had a choice, but instead of following our advice to invest in infrastructure, he cut capital expenditure. That decision has had a significant and negative effect on our economy. Had capital spending been maintained at 2009-10 levels, that would have produced cumulative increased investment of £7 billion over the five years to 2014-15, supporting 19,000 jobs in each of those years. It could have supported hard-pressed sectors such as construction, maintained skills and supported confidence.

Countries such as Germany, the United States, Sweden and Norway took a different approach and have now all passed their pre-recession levels of output. The UK, on the other hand, is still 3.2 per cent below its pre-recession peak, almost five years since the recession began. In my view, a key reason for that is the approach that the United Kingdom Government has taken in establishing the wrong balance on fiscal consolidation, and the difficult impact on capital expenditure in the Scottish and United Kingdom economies.

In recent months, however, there have been indications of a brightening economic outlook. Gross domestic product in Scotland grew by 1.2 per cent over the four quarters to 2013 quarter 1, compared with growth of 0.3 per cent for the UK as a whole over the same period. Construction, production and services all experienced growth over the year to the first quarter of 2013.

There have been improvements in the labour market. Data that were released last week showed that employment had increased by 45,000 over the year, with unemployment falling by 19,000 and inactivity falling by 20,000. Scotland now has a higher employment rate and lower unemployment and inactivity rates than the United Kingdom.

Employment has increased by 98,000 since the start of 2010. However, we accept that unemployment and underemployment are still too high and are factors that are too significant in our economy. There has been a fall of 12,000 in youth unemployment in the past year and Scotland's youth employment rate of 57.2 per cent is higher than the UK's rate of 49.8 per cent.

Business surveys point to an improving outlook, into the bargain. Last week, the Bank of Scotland Purchasing Managers Index indicated that private sector output continued to expand in August, and at the fastest rate in the survey's history. The PMI, along with the recent Bank of Scotland labour market barometer, pointed to continuing strengthening in the labour market. The Federation of Small Businesses' most recent index also shows improving levels of confidence among Scottish small business.

Just last week, the world university rankings placed three Scottish universities in the top 100 in the world, with Edinburgh in the top 20.

Those are positive developments, but we must keep in mind that the recovery remains in its early stages. As the Scottish Government's chief economist noted in the recent state of the economy report, alongside the positive recent developments in the global economy there are still a number of risks that we have to manage. In particular, we need a sustained upturn in demand to generate employment opportunities for all our citizens.

Last week, I set out the Government's draft budget, which shows that we are focused on accelerating recovery by supporting investment and taking direct action to boost employment, create economic opportunity and enhance business confidence, and that we are taking steps to rebalance the economy through boosting innovation, internationalisation and the transition to a low-carbon economy.

As I indicated, the UK Government's spending plans have significantly affected our ability to support capital investment in Scotland. Our capital budget has been reduced by 26 per cent in real terms between 2010-11 and 2015-16. Despite that, we have been able to make real progress on improving Scotland's infrastructure.

**Willie Rennie (Mid Scotland and Fife) (LD):** I am glad to see that the cabinet secretary made it back from Culloden.

The cabinet secretary has made a lot of play of the difference between the economic strategies of the Scottish Government and the UK Government. Does he not recognise that the results are exactly the same? He is talking about 90,000-odd extra jobs, but there are 1 million extra jobs in the UK under a strategy that he has dismissed as ineffective. How does he explain the outcomes being exactly the same, even though he says that he has plan B?

**John Swinney:** The outcomes are not the same. As I just said to Parliament, Scotland's GDP grew by 1.2 per cent in the four quarters to quarter 1 in 2013, while UK growth was 0.3 per cent. That demonstrates that the actions of the Scottish Government have been more successful in improving economic performance than those in the rest of the United Kingdom. I think that that should be welcomed.

**Margo MacDonald (Lothian) (Ind):** I ask the minister—urge him, even—to let Mr Rennie explain why not.

**John Swinney:** Mr Rennie has made his contribution and I am sure that we will hear from him later.

**Willie Rennie rose—**

**John Swinney:** Let us have another intervention from him now.

**Willie Rennie:** How does Mr Swinney explain last month's rise in unemployment? How does that tie in with his improvement in Scotland?

**John Swinney:** Month-by-month factors clearly affect the employment rate, which is why the Office for National Statistics suggests that it is valuable to compare annual statistics, and that is precisely what I did a moment ago. Over the year, youth unemployment was down 12,000, employment in Scotland increased by 45,000, unemployment fell by 19,000, and inactivity fell by 20,000. Last month, the particular factor was the extent to which people left economic inactivity and joined the labour market, which I think is a result of improving confidence and people's sense that they might now have a better chance of securing employment. As a consequence, people have entered the labour market, but not all of them have found the positive destinations that they are looking for. Government support is available to enable people to acquire skills and undertake such activity.

We also support the stimulation of the economy through the major capital investment programme that I set out last week. The programme identifies that more than £8 billion will be invested in Scotland's infrastructure over the next two years, which will support more than 50,000 full-time equivalent jobs across the economy.

**Margo MacDonald:** Will the minister give way?

**John Swinney:** I will give way one more time.

**Margo MacDonald:** Does Mr Swinney expect that, after the election, the incoming Westminster Government will cut a bit more?

**John Swinney:** We have heard that suggestion from the Office for Budget Responsibility and the UK Government, which gave clear indications during the spending round at the end of June. We know what the spending figures will be until the end of 2015-16, and the OBR and the UK Government have made it clear that there will be two further years of reductions in public expenditure as a consequence of the UK Government's approach.

The Scottish Government has a range of different measures to support employment. The 25,000 modern apprenticeships programme has been extended into 2015-16 as a consequence of the budget. We reaffirmed our support for the small business bonus scheme in the budget. Various relief schemes that are worth more than £560 million per year support the reduction or removal of business rates under the small business bonus scheme for approximately 89,000 businesses in Scotland. The FSB made the interesting observation that the small business bonus scheme has given thousands of Scottish businesses a real shot in the arm during an incredibly difficult period, and we are glad to have assisted business in that way.

The Government is also taking forward a range of opportunities to support innovation, the roll-out of digital technology and the improvement of opportunities for companies to internationalise their business activity. On Monday, a very significant renewable energy investment opportunity was taken forward with the consenting of the MeyGen proposal for the Pentland Firth that Mr Ewing announced.

Those are all illustrations of how the Government is doing all that it can to support and accelerate the recovery in Scotland. Those actions provide very strong foundations for the debate on Scotland's future, which of course is now beginning to create unity around some central points.

A point on which I think everybody across the spectrum is agreed is that Scotland is a wealthy and productive country that can afford to be independent. No serious contributor to the independence debate disputes the fiscal commission working group's finding that

"Scotland has the potential to be a successful independent country".

When compared to the 34 countries in the Organisation for Economic Co-operation and

Development, our GDP per head in Scotland would be the eighth highest—it would be 18 per cent higher than that of the UK. Even without oil, we match the UK in productivity terms, so we know that we more than pay our way. Before adding oil, we know that the taxes that we generate per head are close to the UK average. Including a geographic share of oil, we have paid more tax per head in each of the past 32 years than the rest of the United Kingdom. Even in the depths of the recession, that trend has continued, with Scotland being in a relatively stronger fiscal position than the UK over the past five years.

**Gavin Brown (Lothian) (Con):** Given the figures that the cabinet secretary has and those that he has published, does he think that we will be in a stronger position over the next five years?

**John Swinney:** The debate around that point was reflected in the various scenarios in this morning's report from the Institute for Fiscal Studies. The analysis that the IFS has published indicates that, depending on the assumptions that are made about the oil price or the volume of production that can be secured, Scotland could be in a stronger position than the rest of the United Kingdom. Given the ability of the Conservative party to misrepresent the IFS report, it should tread this ground with a great deal of care.

What the IFS report does not do is speculate at all about how we might utilise the economic levers that would be at our disposal as an independent country. An essential element of the debate for us is to determine how we would use the different economic levers to ensure that the Scottish economy was able to perform at a level superior to the experience of recent years.

In this Parliament, we have responsibility for skills training, which is an essential part of helping the long-term unemployed back into work, but we have no control over the welfare system—a lever that is just as important in ensuring that we take the necessary steps to encourage and motivate people in Scotland back into employment.

**Ken Macintosh (Eastwood) (Lab):** Is control of interest rates one of the levers that Mr Swinney is talking about?

**John Swinney:** As Mr Macintosh well knows, no country that Scotland would compare itself to as a developed western European economy has interest rates that are under politicians' control. Interest rates are under the control of independent institutes that determine the appropriate level to support the economy. Crucially, we would have a range of economic and fiscal powers that are superior to the powers that we currently have at our disposal, which would enable us to strengthen the Scottish economy.

We can fund entrepreneurship and innovation, and we can successfully use our grant support to attract companies here, with very great success in inward investment. However, until we have full control of business taxation and the ability to shape the business environment, we will struggle to counteract the gravitational pull of places such as London. If we want to tackle the inequality that is inherent in our country today and which is a product of the United Kingdom's management, we have to act to ensure that we use the levers of economic discretion and power that would be available to an independent country.

This Government believes that its record in tackling the economic problems delivered by the recession has been strong and has got Scotland on the route to recovery. We realise the importance of ensuring that we maintain a strong focus on delivering that recovery and we look forward to the opportunities of independence to shape the economic future of our country.

I move,

That the Parliament notes that Scotland is a wealthy and productive country and recognises the underlying strength of the Scottish economy and its people; welcomes the positive signs of economic recovery over the last 12 months; agrees with the Fiscal Commission Working Group that "there is no doubt that Scotland has the potential to be a successful independent country", and recognises that with the powers of independence and greater access to the full range of economic and fiscal levers, Scotland will be able to maximise its full potential to create a more prosperous, sustainable and equal society.

**The Presiding Officer:** I now call Iain Gray to speak to and move amendment S4M-07734.1. Mr Gray, you have 10 minutes.

14:45

**Iain Gray (East Lothian) (Lab):** Thank you, Presiding Officer.

What could be more timely than a debate on the economy? After all, a recent opinion poll told us that the majority of Scots think that the economy should be the Scottish National Party Government's top priority. Alas, those of us who know this Government well always knew that in fact this would be another debate on independence, because that is easier for the Government than facing up to the real challenges of a fragile recovery that is built on too many jobs that are part time, temporary or zero hours and paid for by more and more families struggling on wages that are already below the living wage and falling, and easier than facing up to the challenges of globalisation, demographic change or pension liabilities. However, those are the real economic challenges that every developed country faces. They are the challenges that Alex Salmond's adviser Alex Bell told us this week he could not get

the SNP to acknowledge—and then he was replaced by someone who would advise a little less and do what he was told a little more.

So what makes a successful economy in the 21st century? A combination, surely, of skills, knowledge and a workforce that is valued and respected; the encouragement of entrepreneurship and innovation; access to the greatest possible capital, both financial and intellectual; free access to the widest possible markets; a stable currency; and the ability to survive economic shocks through scale and by avoiding dependence on a single market or commodity. Scotland stands then as a small country but one with a big tradition in intellect, innovation and invention, with world-class universities and power over our own training, skills and education.

In addition, we have unfettered access to a market that is 10 times the size of our own; a stable currency that is backed by the resources of the Bank of England; and access to research funds, technology strategy funding, green technology investment, a defence procurement budget, and pension funds and investment funds far greater than those that we might command ourselves. Moreover, although it was far from painless, we survived the greatest global crisis in the history of banking, even though two Scottish banks were at the very centre of it.

**Patrick Harvie (Glasgow) (Green):** Given that glowing list of attributes that we enjoy in the current climate, what on earth has been going wrong all these years—even before the recession—with the chronic inequality that there has been in our society? How does Iain Gray explain that, in a country with all those attributes and a wonderful union that is doing everything right?

**Iain Gray:** Mr Harvie's question is really a question about political will. [*Interruption.*]

**The Presiding Officer:** Order.

**Iain Gray:** If Mr Harvie looks at the poverty statistics, he will see that the gap reduced between 1997 and 2007 but has now stopped reducing. It is political will that matters.

Mr Swinney referred to 2008, which is when the First Minister, surfing the arc of prosperity, fetched up in Dublin and told the Irish Government:

"I am sure that most of Europe's Finance Ministers would give at least one limb ... to have Ireland's policy problems, rather than their own!"

And yet Mr Swinney criticises the OBR's predictions. A year after the First Minister's comment, some of those finance ministers would have given a limb for the strength that we gained from access to UK resources during the banking crisis, and perhaps they would give another limb



now for the opportunities that social, political and economic union with the rest of the United Kingdom gives us. This is the best of both worlds, so why jeopardise it?

The SNP asserts that we would lose none of those advantages through independence, but the evidence says otherwise. When Czechoslovakia broke up, it had a currency union that lasted six weeks before it was destroyed by capital flight from Slovakia. The Czech Republic and Slovakia kept an open border, but they still saw cross-border trade plummet. It is just common sense to avoid any barrier between our economy and its customers.

Last week, research warned us that the cost of borrowing would rise in an independent Scotland, and today the IFS tells us what John Swinney told his Cabinet colleagues—that a separate Scotland, overexposed to the volatility of oil price and production, would mean cuts in services and rises in taxes.

**Margo MacDonald:** I take everything that the member said about Slovakia and the Czech Republic, but has he checked on the position now?

**Iain Gray:** I certainly checked on the facts that I have just given. Those are the things that happened when those countries separated.

Even renewable energy—the SNP's path to the reindustrialisation of Scotland—depends entirely on the British single energy market and a customer base that is largely in England. It is a laudable aim. Why risk it?

Yesterday, the First Minister talked about the confidence to make our own decisions. This is about having the self-confidence to share risk and reward and believe in our capacity to flourish. It is nationalists who argue that Scotland is somehow too small, too poor and too oppressed to succeed in the United Kingdom. They have been at it for 300 years. How about this?

"We are an obscure poor people, though once of better account, removed to a remote corner of the world without name or alliance. Now we are slaves forever."

That was Lord Belhaven arguing for independence in 1707, but we can hear Belhaven's angst channelled by Mr Swinney in his protestations of powerlessness today.

I believe in Scotland. I believe in our skill and craft and knowledge. I believe in our imagination and our capacity for innovation and invention. *[Interruption.]*

**The Presiding Officer:** Order.

**Iain Gray:** I even believe in our capacity to listen to other people's ideas. I believe that we are good enough and smart enough and should be

determined enough to seize the opportunities that we have right now with both hands.

**The Minister for Energy, Enterprise and Tourism (Fergus Ewing):** Will the member take an intervention?

**Iain Gray:** I am sorry; I think that I have taken enough.

We have the best of both worlds, and our obligation is to make the most of it. That is what the Scottish people mean when they say that the economy should be our priority.

We used to have debates on the economy in this Parliament—debates about matching skills to the needs of the new economy, about driving innovation in our universities and commercialising it out into the world of wealth creation, and about how we could create new sources of funding to unleash Scottish ingenuity on the world. Last week, Scottish Enterprise published a review of its support for growing businesses—187 pages of it—but all the support that it offers growing companies goes back to the days of "A Smart, Successful Scotland". It was through things such as small firms merit award for research and technology—SMART—funding, support for products under research—SPUR—funding, proof of concept funding and the co-investment fund that we created companies such as Wolfson Microelectronics and Touch Bionics 10 years ago.

The SNP trumpets success in attracting foreign investment—the First Minister was doing it today—but that is down to Scottish Development International's strategy, which started back in 2001. Even in renewable energy, the key facility—the European Marine Energy Centre—was launched 12 years ago. Where are the new ideas? Instead, key economic projects such as the rail links to the airports and the air route development fund have been cancelled.

**Fergus Ewing:** Will the member give way?

**Iain Gray:** No. I am sorry.

**Fergus Ewing:** Will the member give way?

**The Presiding Officer:** Mr Gray is not giving way, Mr Ewing.

**Iain Gray:** We have 25,000 apprenticeships, but we cannot match them to skills shortages in engineering, construction and the oil and gas industries. When we build schools, hospitals or bridges, we manage to exclude Scottish companies and fail to take young Scots off the dole queues. *[Interruption.]* Yes, we do.

**Fergus Ewing:** On a point of order, can Mr Gray specify which companies he is referring to?

**Iain Gray:** I can certainly specify a school in my constituency that was built following a shortlist of

five Irish companies with not a single Scottish company on the list, and business tells me that that happens everywhere.

I tell the Parliament this: sending the First Minister to movie premieres and golf tournaments does not add up to a global connections strategy either. The only idea that the Government has is independence. Mr Swinney says that independence would give him economic levers, but what is the only economic lever that he would pull? It is a £400 million windfall corporation tax cut to big business. Scotland—the last redoubt of the Laffer curve, an economic theory that was actually written on the back of a paper napkin and which has been discredited in every finance ministry in the world, except for Mr Swinney's.

Even that will be a decision for someone else. First Mr Swinney will have to phone the Chancellor of the Exchequer to ask what his or her corporation tax rate is going to be and then he will subtract 3 per cent. Is that really his highest aspiration for Scotland? Is it for this that Scotland is on pause, with our economy bumping along and 200,000 Scots languishing unemployed while we wait?

Norman Lamont once accused the Government he had resigned from of appearing to be in office but not in power. This SNP Government is in power, all right, but it appears that no one is in the office. It might as well have one of those annoying signs on the door of St Andrew's house: "Off to lunch. Back after the referendum." That is not good enough.

I move amendment S4M-07734.1, to leave out from "notes" to end and insert:

"believes that the Scottish Government must act now to secure what is a fragile economic recovery and ensure a secure sustainable future in which all can share fairly; notes the importance that the Scottish Government's Fiscal Commission Working Group places on retaining key elements of the social and economic union, including sterling and a single central bank, as well as the 'significant and complex linkages between households, businesses and financial services operating across the UK', and recognises that the greatest economic potential for Scotland and its people lies with a strong, devolved Parliament using every power at its disposal, including new tax and borrowing powers and maximising the opportunity of shared risk and reward in the United Kingdom."

14:55

**Gavin Brown (Lothian) (Con):** I must begin by being fair to the Scottish Government. In my opinion, it started brightly in 2007 by introducing the small business bonus, which we argued for strongly in the first budget negotiation. Indeed, we ended up supporting the budget on the basis that that deal was accelerated. The Government also re-energised and restructured the enterprise

network, which is something that we believed was long overdue and was the right thing to do.

However, despite the things that it did early on, I regret to say that my sincerely held view is that, since it became a majority Government in 2011, this Government has taken its eye off the ball in various policy areas and the economy in particular. Every SNP spokesperson might tell us that the economy is the most important thing and that jobs and the economy are the Scottish Government's priority of priorities, but in practice that is simply not true. It becomes more apparent by the day that almost all of this Government's energy is focused on the referendum and that it will do or say just about anything to drag itself over the line. Indeed, today's First Minister's question time was just the most recent example of that.

We also hear from the Scottish Government the most cherry-picked and selective statistics available to any Government or department. First, on employment, I find it staggering that, in this chamber, the cabinet secretary has found it almost impossible to mention last week's 10,000 increase in unemployment. That is deeply disappointing. I do not deny that the figure was surrounded by other bits of good news for the economy—and the cabinet secretary rightly touched on some of those—but every member should be deeply worried by that 10,000 increase, which was not mentioned again today. All that the cabinet secretary said was that the figure was 19,000 lower than it was a year ago, completely ignoring the most recent set of statistics.

Interestingly, the Government now seems to hold the view that figures should be compared only with what they were a year ago. Over the past five years, just about every press release that has come out with the publication of unemployment statistics has compared the figures with those in the previous quarter. Why the sudden change when the figures do not suit the Government?

**Margo MacDonald:** I am very interested in and am trying to follow what Mr Brown is saying, so I ask this question most sincerely. Does the Opposition on the benches where he sits expect to see a different outturn from the economic measures that are taken on either side of the border, or does it expect events to bring forth the same ends?

**Gavin Brown:** Some economic powers—broadly the macroeconomic ones—are held at Westminster whereas many microeconomic powers are held here. However, my critical point is that when the unemployment statistics in Scotland are better than those in the rest of the UK it all seems to be down to the Scottish Government's hard work, expertise and strategy but when they are worse it is all down to the UK Government's failing to do what the Scottish Government wants it

to do. The SNP cannot have it both ways. It is not credible to say both things.

Let us consider what the Scottish Government has done recently. It talks about wanting full control of business taxation—we heard that again today. However, it does not use to best effect the powers that it already has in relation to taxation. Why not prove that it is serious about reducing corporation tax by doing something about business rates? Business rates represent a huge power for the Scottish Government, but its ambition is to match the rate in the rest of the UK—no more than that. Why not prove to the rest of the world that it means business by going lower than the rest of the UK?

**John Swinney:** I will make two points to Mr Brown. First, we had a manifesto commitment—which we fulfilled, in difficult circumstances—to match the poundage north and south of the border. That was the request that business made of us. Secondly, the business rates relief package that we have in place is the most generous and competitive one in the whole of the United Kingdom. Why can Mr Brown not welcome that?

**The Deputy Presiding Officer (Elaine Smith):** You are in your last minute, Mr Brown.

**Gavin Brown:** That goes back to what I said at the beginning of my speech. The SNP started well, with the small business bonus, but, since then, it has done everything in its power to create the least generous set of reliefs in the country—

**John Swinney:** That is absolute nonsense, and you know it.

**The Deputy Presiding Officer:** Order.

**Gavin Brown:** It has brought in the retail levy, which Mr Swinney does not want to talk about. It has brought in the empty property tax, which, again, Mr Swinney does not want to talk about. It has demanded that the UK Government do something for the hospitality industry on VAT but point-blank refuses to do anything for it on business rates. It has demanded that the UK Government do something for the construction industry on VAT but point-blank refuses to do anything for it on business rates.

**Fergus Ewing:** Will the member give way?

**The Deputy Presiding Officer:** I am afraid that Mr Brown is concluding.

**Gavin Brown:** I am happy to end on that note.

I move amendment S4M-07734.2, to leave out from “agrees” to end and insert,

“is disappointed that the Scottish Government appears to focus almost exclusively on the issue of independence; regrets the lack of measures that could help the economy in the draft budget 2014-15, and calls on the Scottish Government to focus more effectively on using the

economic powers that it currently has.”

15:02

**Alison Johnstone (Lothian) (Green):** The Green amendment, in Patrick Harvie’s name, says at the outset that we can deliver prosperity, sustainability and equality in our society but not by returning to “business as usual”. Why is this so? I hope that it is clear. Scotland is one of the richest countries in the world but there are huge, humiliating inequalities in wealth and in the life chances that are available to people, there are dramatic inequalities in the health of our communities and there is the continuing exclusion of too many women from life’s opportunities.

That is what business as usual and the continuing economic model have delivered, and that is what investing in a new economic renewal for Scotland can change.

We have enough wealth, but it must be distributed more evenly to benefit the 99 per cent. The simplest answer to austerity is equality. There is so much more that we can do to give those who want to get a better job, gain more skills and education, have a family life or contribute to our neighbourhoods the opportunity to do so.

What would an equal, jobs-rich, resilient economy for Scotland look like? How do we get there? The Scottish referendum has not, as some suggest, led to stagnation or put Scotland on hold. Instead, we have seen thousands of people discuss what could change and how Scotland can be better. Most of those creative thoughts are informal, between individuals. Some are captured in projects such as the Jimmy Reid Foundation’s common weal vision, Oxfam’s humankind index or the work of transition groups across the country. We have never had so much debate about how things are done currently and how they might be done differently.

Last week, the Economy, Energy and Tourism Committee heard evidence from the enterprise research centre, a university-based institute producing the evidence base for policy making. It finds that the majority of jobs in the UK are created by small firms of fewer than 50 employees. Small businesses’ share of employment has tripled since 1998, although many stop trading within their first few years.

We also heard, astoundingly, that the rate of job creation by small firms was not affected by the crash. Small businesses have displayed incredible resilience throughout the downturn by continuing to create jobs—and lose them—at the same rate. In fact, the Federation of Small Businesses has shown, with UK labour force survey data, that between 2008 and 2011, 88 per cent of people moving from unemployment into private sector

employment found work in small and medium-sized enterprises, compared to 12 per cent who found employment in large businesses. It is clear that employment in small firms is the most important route to employment for the unemployed and economically inactive.

Economic renewal in Scotland should be founded on small businesses. Supporting them is a challenge because the sector has many different needs. The term SME is too broad—it includes microbusinesses of one or two and those with 250 employees. We need separate champions in Government for microbusinesses and medium-sized businesses, and for women, too. Women are a driving force in Scotland's economy, yet Scotland's rates of female business ownership are persistently low. The Enterprise Research Centre points to evidence suggesting that Scotland would have another 108,000-plus businesses if women's business ownership rates equalled those of men. There is also considerable ambition and aspiration among women.

The Scottish Trades Union Congress and the women in Scotland's economy research centre have suggested that many women are economically inactive because there is little financial benefit from working when childcare costs, which are among the highest in Europe, eat up a massive proportion of any wage. The Government is proposing an extension of childcare, and I welcome that. However, a transformative approach to childcare would provide employment for many and enable many more women to pursue education and employment. Mothers will find it very difficult to set up businesses without being assured that they have first-class childcare support.

**Margo MacDonald:** Has work been done recently on the success of shared jobs? I have found that women are more likely to share jobs and are quite happy to do that, but I do not know whether that is included in the plans.

**Alison Johnstone:** That is certainly something to look at. When I started work again, when my daughter was a bit older, I shared employment and found that very helpful.

At First Minister's question time two weeks ago, the First Minister hinted at a desire to look at a transformative childcare system based on models from Scandinavia. I urge him to take that forward.

Economic powers for Scotland should mean a vision for enterprise, not inward investment from multinationals in search of the next tax break. Economic powers should mean a concerted effort to pay people fair wages. We know that the majority of benefits go not to the unemployed, but to people in work on poverty wages, through so-called corporate welfare. Some actions do not

need to wait for independence. Evidence from around the globe points to the greater economic benefits of small-scale infrastructure projects.

The Government's motion talks about more than growth as the purpose of the economy, and that is why I will support it tonight. People and society should not be held to ransom by a casino economy designed to benefit big business. Scottish independence is a chance to change that, but it remains a battle to be won. What would be different if sustainable economic growth was not the Government's sole purpose? If as much regard was given to wellbeing and health outcomes as to economic growth, cycling and walking would be given an appropriate slice of the budget and insulation projects would be warming people's homes and reducing fuel costs now. Moreover, it is not a case of either/or. Such investment would do much more to strengthen the economy and make it more resilient. Investing in those areas provides jobs, cuts emissions and bills, and improves health. That is the kind of growth that we should encourage and it is the kind of economy that the Green amendment requires.

I move amendment S4M-07734.3, in the name of Patrick Harvie, to insert at end:

“, and believes that this society will not be achieved by a return to 'business as usual' economics but rather by the pursuit of a new economic model emphasising good quality, satisfying jobs, small businesses, entrepreneurs, affordable homes, closing the gap between rich and poor, and fairly balancing social, environmental and economic priorities, as consistently advocated by the Green New Deal Group over the last five years.”

**The Deputy Presiding Officer:** That brings us to the open debate and speeches of six minutes, please. We are tight for time, so I will give members a one-minute warning.

15:08

**Kevin Stewart (Aberdeen Central) (SNP):** The motion talks about

“the underlying strength of the Scottish economy”.

I will concentrate my speech on that underlying strength. Beyond that, I will talk about my experiences over the past few weeks of talking to businesses in the Parliament and in my constituency.

In a debate in the chamber last week, I mentioned the success of the offshore Europe conference, which involved some 60,000 delegates from across the world, 1,500 stands and many home-grown Scottish companies that are doing exceptionally well. We all know about the multinationals but, sometimes, many folk in here and elsewhere do not pay due attention to the work that is done by the many small companies in that sector. However, I am pleased to say that the

Minister for Enterprise, Energy and Tourism takes cognisance of that. He spent quite some time at the offshore Europe conference, where he went down very well with the folk that I spoke to.

The oil and gas sector is thriving, but things could have been so different if the Conservatives had not U-turned on the silly tax measures that they introduced a couple of years ago. Although we are seeing record levels of investment in the North Sea basin, I think that we could have had even more. During the silly period, many companies took their money and invested it elsewhere, particularly in west Africa.

Over the past couple of weeks, many food and drink companies have visited the Parliament and have talked about Scotland the brand and how well they are doing. We also recently celebrated 100 years of the Rowett institute, which is a great Aberdeen institution—its first director won a Nobel prize, no less—that has been at the forefront of life sciences over that time.

In the remainder of my speech, I will concentrate on the life sciences. Last week, along with other colleagues, I had the pleasure of attending a Scottish Enterprise seminar at NCIMB in Aberdeen. When I went in and saw a badge that said, “We love bugs”, I did not think that I could ever say that. However, I came out of the seminar thinking, “I love bugs; I love the life sciences industry; and I love what is going on here in Aberdeen and the north-east of Scotland.”

**Margo MacDonald:** Does “bugs” include spiders?

**Kevin Stewart:** No, it does not include spiders.

**The Deputy Presiding Officer:** I ask members to desist from talking to each other across the chamber.

**Kevin Stewart:** Sorry, Presiding Officer. In the main, NCIMB deals with bacteria.

As the Scottish Government’s “Life Sciences Key Sector Report” of November 2009 pointed out, with Scotland’s competitive advantages in areas such as medical devices, pharmaceutical services, stem cells and translational medicine, we need to be focused on growing the company base in life sciences. The current situation is that our commercial life sciences companies have an annual turnover of £3 billion. Between 1998 and 2010, the sector has experienced 4.3 per cent compound annual growth and employee growth of some 18 per cent.

In the north-east, institutes such as the University of Aberdeen, the Rowett research institute, the James Hutton Institute and Marine Scotland are heavily involved in life sciences. We have seen spin-off companies from the universities. The companies involved—such as

TauRx, NovaBiotics, NCIMB, GT Biologics, Sirakoss and Ossianix—are doing a great service to our economy in the north-east.

**Dennis Robertson (Aberdeenshire West) (SNP):** My friend and colleague Kevin Stewart has talked about the effect of those companies on Aberdeen and the north-east. Does he acknowledge that the work that is being done in Aberdeen and the north-east is actually global and has a global reputation?

**The Deputy Presiding Officer:** Kevin Stewart, you are in your last minute.

**Kevin Stewart:** I agree completely and utterly with Mr Robertson that life sciences is a global industry and that the north-east and other parts of Scotland are seen as leaders in the field. Long may that continue.

At the Scottish Enterprise seminar, we heard talk of the biologics revolution, which I think is extremely interesting. We also heard about research using DNA from sharks that aims to make big inroads.

Without a doubt, the industries that I have mentioned are the underlying strength of the Scottish economy. However, I think that the Scottish economy could be so much better. In order to achieve that, we need all the levers of power in this place, so that we can continue to grow those industries and the many others that do so well in our country.

15:14

**Margaret McDougall (West Scotland) (Lab):** The Scottish economy is a vitally important subject that requires the Parliament’s full attention. It saddens me, therefore, that the Scottish Government’s motion—and what we have heard from SNP members so far—seems to be more about independence than it is about the Scottish economy. I assume that independence is the focus of the debate, and that Scotland is still on pause.

It is becoming increasingly obvious that what we have is no longer a Government but a campaign vehicle, which, instead of focusing on the real issues, would rather use every debate in the chamber to focus on independence. None of the bills that are listed in this year’s programme sets out radical plans to support economic growth and provide jobs. The Government is taking its eye off the ball in pursuit of a single-minded issue.

**Mark McDonald (Aberdeen Donside):** Will the member give way?

**Margaret McDougall:** If the member gives me a minute to proceed, I will.

I am happy to participate in a debate on the Scottish economy if we discuss an economic strategy and what we will do to stimulate the economy with the powers that we currently have.

**Mark McDonald:** Will Margaret McDougall accept that legislation is not necessarily required in order to drive economic growth?

**Margaret McDougall:** The Government needs to use the powers that it has. We should be using this debate to highlight issues that matter to ordinary Scots, such as the need to invest in an educated and skilled workforce.

Throughout Scotland, one in five of our young people is unemployed. In North Ayrshire, which is the area that I represent, youth unemployment—and unemployment in general—is still a very serious issue, with 13.4 per cent of people under 25 receiving jobseekers allowance. I do not imagine that the Audit Scotland report that shows that there are now 48,000 fewer college places—a 16 per cent reduction in one year—fills those young people with confidence, and nor will the news that colleges face a further 11 per cent reduction in public funding by 2015. That is not conducive to creating an educated and skilled workforce.

At a local level, I am holding an employment fair that I hope will match some of the unemployed with employers who have vacancies and let others know of the opportunities that are available to them. However, that is only a drop in the ocean—we need to do much more.

Although I welcome the appearance of some signs of a fragile economic recovery, I am worried that it is based on unsustainable practices such as the use of zero-hours contracts and underemployment.

**Kevin Stewart:** Will the member give way on that point?

**Margaret McDougall:** No, I need to make progress.

We do not have exact figures for the number of Scots on such contracts, but we know that the numbers are increasing and that the issue has a distinct gender dimension. Women's Enterprise Scotland noted in evidence to the Economy, Energy and Tourism Committee that it was

“seeing more zero-hours contracts for the sort of low-pay service sector jobs that many women have.”—[*Official Report, Economy, Energy and Tourism Committee*, 30 January 2013; c 2408.]

It is clear that we need to act on such contracts, as they are exploitative and strip away workers' rights. They are unsustainable in the Scottish economy, offer no security for workers and are being misused under the banner of flexible working.

**Joan McAlpine (South Scotland) (SNP):** Will the member take an intervention?

**Margaret McDougall:** If the member gives me a minute. Such contracts also create havoc in the lives of those who are claiming benefit and trying to organise childcare.

**Joan McAlpine:** I agree with Margaret McDougall on the iniquity of zero-hours contracts. However, does she not recognise that employment law is reserved to the United Kingdom Government?

**Margaret McDougall:** Exactly—I will go on and make a suggestion on that point.

Currently, contractors on Scottish Government contracts such as the Borders railway make use of zero-hours contracts, as do many of our universities. The Scottish Government can do something about that now. It will come as no surprise that I welcome Labour's commitment to banning the exploitative use of those contracts, but the Government could—and should—be doing something about it now.

Through the forthcoming procurement reform bill, the Scottish Government could at least protect workers who are employed in public contracts. Has that option been considered? Will the Scottish Government match our commitment and lead by example?

I do not see anything positive about unemployment increasing by 10,000 in the past quarter and a situation in which at least 10.7 per cent of Scotland's workforce is defined as underemployed, a figure that has increased by 76,000 since 2008.

The Scottish Council for Development and Industry described underemployment as

“a long-term challenge for the economy of Scotland.”

It is clear that we need to tackle it. Will the cabinet secretary point to exactly where it is addressed in the forthcoming legislative programme? That highlights the issue that our economy may be being propped up by some damaging and unsustainable economic practices.

There is much more that I could say about the lack of a strong economic strategy to improve the outlook for, and opportunities of, the people of Scotland. People do not want the next year to be dominated by the referendum. They are crying out for action now, not in 12 months or even later. It is time for the SNP Administration to take Scotland off pause, get its eye back on the ball and start using the powers that it has to improve the quality of life for Scots. It is a Government and its job is to govern, not to campaign.

**The Deputy Presiding Officer:** I remind members that chatting in the chamber while

members are speaking is discourteous. That includes members sitting behind the member who is speaking.

15:21

**Joan McAlpine (South Scotland) (SNP):** Scotland is a wealthy and productive country, replete with natural resources. In addition to those blessings, which make us one of the world's richest nations, we have enormous strength in the most vital commodity—human capital. Scotland's greatest resource is her people. Like Alison Johnstone, I will concentrate on the contribution of more than half of those people: the 52 per cent who are female.

Women make up 48 per cent of the labour market in Scotland. However, a recent OECD study on the world economy indicated that around one third to one half of all valuable economic activity—often conducted by women—is not accounted for in traditional measures of performance such as GDP. I am delighted that the Scottish Government intends to address that issue in its national performance framework and that more will be done to recognise work that is not subject to traditional monetary transactions, such as that done by Scotland's 675,000 unpaid carers, 60 per cent of whom are female.

This Parliament has proved itself to be progressive. If it made all the decisions about Scotland, as opposed to only some, our country would be more prosperous and more equal. Women in particular would benefit because, for all the considerable advances that we have made, women have not yet achieved full equality under Westminster government. For every £1 that a man in the UK earns, a woman takes home 85p. Women's average personal pensions are only 62 per cent of the average for men, and women make up the majority of pensioners who live below the breadline.

I note that these areas of policy—pensions, employment and equal opportunities—are central to the economic wellbeing of women and they are all controlled from London. By contrast, fairness and equality have been central to the progressive policy advances of devolution. The Scottish social wage—promoted and delivered by the SNP—has been particularly beneficial to women.

Earlier this week, I wrote about what Americans define as the sandwich generation—middle-aged people, often women, who find themselves supporting elderly parents and their own children. I met one of those busy people at a conference in Stirling last Saturday and she spoke eloquently of the pressures that she faces. However, that lady pointed out that things are a bit easier in Scotland under an SNP Government. She does not have to

worry about finding tuition fees to send her children to university or paying for the personal care of her elderly parents.

Poverty damages the economy and the best way out of poverty is through well-paid work. Therefore, I am delighted that, last year, the Government in Scotland held a women's employment summit in conjunction with the STUC. I also welcome the commitment to 600 hours of flexible free childcare in the Children and Young People (Scotland) Bill. That will allow many more mothers to work as well as providing women with jobs in the sector. However, we could do much more with the full economic levers of independence.

A no vote means no change to the economic position of women. London exacerbates female poverty with austerity, which damages recovery. The UK Government's response to the economic crisis has been to cut public sector jobs, two out of three of which have been done by women. In Scotland, the SNP Government and its agencies have a no compulsory redundancies policy, which has benefited women in that part of the public sector.

**Iain Gray:** I accept that the Government has a no compulsory redundancies policy, but it has cut some 47,000 public sector jobs, many of which would previously have been held by women. This is hardly something that women in Scotland have been protected from.

**Joan McAlpine:** Those job losses were negotiated—they were not compulsory redundancies. That is the big difference. *[Interruption.]*

**The Deputy Presiding Officer:** Through the chair, please.

**Ken Macintosh** *rose—*

**Joan McAlpine:** Westminster's Welfare Reform Act 2012 has, as successive London budgets, autumn statements and spending reviews have done, had a disproportionate and detrimental impact on women. According to the Fawcett Society, one fifth of women's income is made up of welfare payments and tax credits, whereas the figure for men is one tenth. That means that benefits make up twice as much of women's income as they do of men's.

To date, a total of £14.9 billion-worth of Westminster cuts per year have been made to benefits, tax credits, pay and pensions. According to the Fawcett Society, a staggering 74 per cent of that has been taken from women's incomes, and that calculation was done before George Osborne announced that a further £10 billion of welfare cuts would be made by 2016-17.

With control over benefits here in Scotland, we could ensure that more women were economically active and, with control of the equalities legislation, which the Fawcett Society has warned is being rolled back at UK level, we could examine ways in which the economic position of women in Scotland could be enhanced.

I was particularly struck by the evidence that Professor Sara Carter gave to the Economy, Energy and Tourism Committee last week, to which Alison Johnstone referred. She said that if the rate of business ownership by men was equalled by the women's rate, we would see growth in the Scottish economy of 5.3 per cent or £7.6 billion. That is a staggering figure, but it can be achieved only in a society that supports women, and that will be a society that promotes equality and fairness. An independent Scotland will do just that. We can improve on Westminster.

Earlier this year, the feminist economist Ailsa McKay gave the David Hume lecture. The fact that she said that she was excited about the debate that we are having on independence and what it can do for the Scottish economy answers some of the criticisms that have been made by Opposition members. She said that she could see the possibility of change and of practical improvement to ordinary lives. She said:

"The forthcoming referendum on Independence and the associated ongoing constitutional futures debates provide further opportunities to 'think big' ... The challenge then is how best to capitalize on those opportunities for the purpose of transforming our economic institutions and systems in ways that promote the welfare of all of Scotland's people."

**The Deputy Presiding Officer:** Before I call Willie Rennie, I point out that the previous two speakers went over time. If members continue to do that, we will lose a speaker from the debate. I ask members to stick to their six minutes, please.

15:28

**Willie Rennie (Mid Scotland and Fife) (LD):** The finance secretary delivered a wonderful and, on occasion, elegant self-contradiction, and did so without showing any sign of embarrassment. He complained that he does not have the powers that he needs to do his job, yet he proceeded to claim the credit for every bit of improvement that has come about in Scotland. That is an amazing self-contradiction, coming from a finance secretary who claims to have full control of his task.

According to the figures, 84,000 extra jobs have been created in Scotland and 1 million in the UK. The figure for Scotland represents an exact Barnett share of the number of jobs that have been created in the UK. If John Swinney wants to take the credit for the marginal differences that he says exist between the situation in Scotland and

that in the rest of the UK, while giving credit to the UK Government for the improvements as a whole, we might be able to agree on that, but I suspect that he is trying to take the credit for every job that has been created in Scotland, even though he says that he does not have the necessary powers. The finance secretary's presentation was embarrassing—he needs to admit when he has not made a difference.

The UK has made a difference, and it has done so for a number of reasons. It has not followed the route of the Scottish Government, with its plan MacB; it has stuck to the task of dealing with the deficit.

**Chic Brodie (South Scotland) (SNP):** Will the member take an intervention?

**Willie Rennie:** Not just now.

The UK Government has also stuck to the task of making targeted interventions that make a big impact, such as the £1 billion UK youth contract; bringing the corporation tax rate down, to 20 per cent eventually; and the Green Investment Bank, which has £3 billion and is based in Edinburgh.

**Mark McDonald:** Will the member give way?

**Willie Rennie:** No.

Other initiatives are the new Government-backed business bank; the Technology Strategy Board, with a catapult centre at the University of Strathclyde; and the UK export finance scheme, which has £35 million and hopes to double the support for businesses that export. The UK Government has also provided £100 million for broadband in Scotland.

**Kevin Stewart:** Will the member give way?

**Willie Rennie:** Not just now.

Those are some of the schemes that the UK Government has contributed and that is why an extra 1 million jobs have been created in the UK.

**Margo MacDonald:** Will the member give way?

**Willie Rennie:** Not just now.

Iain Gray is right that, instead of obsessing about independence, the Scottish Government should look at what it can do in Scotland right now. For a start, it could reverse the cuts to Scotland's colleges. We have asked repeatedly for that and we have raised it repeatedly with John Swinney in budget discussions. I hope that we can make a bit more progress this year. The £25 million cut had a detrimental effect on our colleges—80,000-plus part-time courses were lost. That is having a big impact on skills, which affects our economy.

The Scottish Government could also embrace a new initiative from the UK Government—the £2,000 national insurance contribution



employment allowance. We could use that fund in Scotland for several thousand companies that would benefit; many small companies could benefit significantly and even more would be taken out of NICs altogether.

We need to make an effort on apprentices, because the comparison between the percentage of companies that take on apprentices in Scotland and the percentage that do so in England does not bear well for Scotland—the figure is only 12 per cent in Scotland but 14 per cent in England. We therefore need to do much more. That is why the NIC employment allowance could make a contribution. We in the Parliament and the Government should encourage companies to take on an apprentice so that we can get the rates up to the levels that are being achieved in England.

Those are two actions that the Scottish Government could take to contribute to the improvement in the economy across the UK.

**Margo MacDonald:** I put it gently to Willie Rennie that he, too, is somewhat paradoxical. He talks about the improvement to the UK economy when we are borrowing at a rate of £3,200 per minute.

**Willie Rennie:** I am sure that Margo MacDonald recognises that we have cut the deficit by a third since 2010. That is significant progress that others said should not or could not be done. They were wrong, and we were right to stick to our plan.

We need to recognise that Scotland gains significantly from being part of the United Kingdom—Mr Swinney is not keen to emphasise that. The £45 billion export trade to the rest of the UK is valuable to Scotland. Putting up any kind of barrier would be detrimental to that.

We get economic strength from being part of the UK. Bailing out the banks at a time of crisis was good for Scotland and for the UK, and it was delivered by our being part of the UK.

We have a shared currency. If Scotland handed over to a foreign country control of its interest rates, that would not be good for the Scottish economy.

We have a broad financial base in the United Kingdom, which can support the economy in Scotland. The overreliance on oil in Scotland would be detrimental to our finances, as the National Institute of Economic and Social Research has highlighted. It said that a consequence of independence would be higher bond rates for Scotland.

It is clear that we need to recognise the value that we have and the contribution that has been made to improving the economy and that we need to reject independence.

15:34

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** My speech will be largely about food and drink, and perhaps I will say a word or two about education.

On food and drink, we are doing well and we are progressing with the powers that we have, although I will of course say that we could do more if we had more powers. However, I cannot move into food and drink, which are largely export-led successes, without picking up on the specific thing that Iain Gray said about free access to the widest possible market and Mr Rennie's contribution, which made similar reference to our £45 billion trade with the rest of the UK.

The threat to our export industries lies entirely with Westminster, which wishes to disconnect us from a market of over 400 million in the European Union. Indeed, if anyone is in the business of erecting barriers, the threat is at the UK level. It would take us out of the EU and create the barriers that would create difficulty.

**Willie Rennie:** Will the member give way?

**Stewart Stevenson:** I will develop my points a little bit further, if I may.

Why do we do so well with food and drink in the world? We have some powers that enable us to help our industry, which is good, but fundamentally things depend on Scotland's reputation in the world, people knowing about Scotland, and people believing that Scotland is an environmentally good place from which to buy their food and drink. They do that because of successive Governments' attention to that subject. We have a clear and clean environment, and we know that our waters in Scotland are pristine and that our land is free from contamination from genetically modified crops. The Government has been very clear that it wants to sustain that.

Our products have been going around the world for a very long time. The Liberals once did something useful for the Scotch whisky industry, when the Immature Spirits (Restriction) Act 1915 was passed when Lloyd George was Chancellor of the Exchequer. Mind you, that act was drafted by his official, James Stevenson—yes, he was a relative, of course. The act dramatically improved the position of the malt whisky industry in Scotland.

Scotland's whisky industry is so successful that a person cannot go to India without seeing evidence of the recycling of Johnnie Walker bottles, to be filled with local hooch. If a person goes to Nepal, they will see a brand called Kat 69 whose appearance is famously very similar to that of Vat 69. Our successes are copied around the world.

Moves to geographically protect a wider range of our products have also happened under the Government's watch. Examples of those products are the Arbroath smokie and, most recently, the Stornoway black pudding, which are fine examples of Scottish food and drink products.

Our salmon farming industry, which is now the third biggest in the world, is exporting to the far east, where the product is in huge demand. Scottish farmed salmon is the first product to have Label Rouge accreditation in France.

There are threats to our success in food and drink. Most notably, we are unable to engage in the most effective way on the issues that come from the Faroe Islands' and Iceland's abrogation of pelagic fisheries. That is a serious threat to an economically important industry, and it threatens marine stewardship designations. It is slightly ironic that, when I went to Iceland in 1973, the Icelanders had just declared a 200-mile limit to protect the fish in their area from exploitation. I am afraid that they are now guilty of that themselves. As we are not internationally represented in a meaningful way, we are not able to engage in a way that would enable us to protect our markets to the maximum possible extent.

On education, it should be remembered that, for hundreds of years, Scotland had four universities while England had merely two. Our students went all over Europe and all over the world. Now, we export our education around the world from our universities, often by satellites and increasingly by providing online courses. I very much welcome the fact that the knowledge, experience and pedagogical achievements of our universities are now reflected in the internet world. That earns new revenue for Scotland.

**The Deputy Presiding Officer:** You are in your final minute.

**Stewart Stevenson:** I want to pick up on one or two further things in my final minute.

Slovakia was referenced earlier. Strangely enough, I do not think that, with a 10 per cent per annum growth rate, the Slovakian people are immediately queuing up to change their constitutional status after their independence in the world.

In any event, the Scots as a people are not put off by barriers. My great-great-grandfather applied for his passport in 1853 to emigrate to Canada and, today, I have living relatives in Canada, the USA, New Zealand, Australia, Norway, Sweden, Denmark, all the countries in the British Isles and beyond. *[Interruption.]* I think that somebody is encouraging me to join them, Presiding Officer.

**The Deputy Presiding Officer:** I am afraid that I am encouraging you to conclude, please.

**Stewart Stevenson:** I refuse to accept the first invitation; I will conclude my remarks at that.

15:40

**Ken Macintosh (Eastwood) (Lab):** In recent days, a number of polls have been published that have been the focus of political attention. One survey that really caught my eye was last week's five-year analysis of Asda's income tracker. The report, which looked at how people in Scotland have fared over the past five years of economic difficulty, concluded that in real terms the average Scottish household is £990 a year worse off today than it was in 2009. That puts into perspective what most people in Scotland know from their day-to-day experience: fuel bills, food and the cost of living are all going up, while wages remain frozen. The research revealed that young people in particular have been hit, with unemployment and underemployment exacerbating the difficulties that they face.

When we talk about Scotland's economy and what we can do politically to address some of the problems that we face, that means addressing the facts that more than 200,000 people remain jobless; that, last month, 125,000 Scots put their rent on a credit card; that the number of people who desperately seek help through payday loans has doubled in the past year alone; and that hundreds of thousands of Scots simply want to be treated fairly in a job that offers respect for the work that they do and an income that allows them to pay the mortgage without panicking.

People do not expect us to solve those problems overnight, but they expect us to take practical action rather than make grand but unspecific promises that we say we will not even begin to deliver for at least another year. In a moment, I will outline just some of the steps that we could be taking today, but first I mention the frustration—of which I sure you are aware, Presiding Officer—that many Scots often express about the arguments over the impact that independence will have on the Scottish economy. That frustration will not have been helped by today's motion.

People are worried not just by the lack of detail on how the SNP would use the supposedly independent powers over our economy, but by the lack of clarity of intent, even on a question as simple as whether the SNP will put up taxes or cut them. I entirely agree that we should maximise our full potential to create a more prosperous, sustainable and equal society, but if we look at one of the few policy details to which we know the SNP is committed—cutting corporation tax—it is difficult to see how that would take us in that direction. Professor Joe Stiglitz, the Nobel prize-winner who is so often quoted by the First

Minister, specifically told the Parliament that such a move would be

“a gift to the corporations increasing inequality in our society.”

**Fergus Ewing:** On our record and what we have done, does Mr Macintosh agree that the financial problems that many people in Scotland face have to an extent been ameliorated and lessened by the council tax freeze, which has protected a great many people, and the small business bonus, which has benefited 89,000 small businesses? Using the powers that we have, we have demonstrated a track record of trying to help people to tackle the undoubted economic problems that they face now and have faced over the years that we have been in power.

**Ken Macintosh:** That point takes me on to the things that we can do. I want to emphasise the actions that we can take, whether or not we are frustrated about the areas on which we disagree. My central ask of Mr Ewing and Mr Swinney is: why do not all members in the Parliament join forces to use the enormous range of powers that we have to act progressively to build that new Scotland?

The starting point would be investment in the skills, training and education that will make Scotland a more productive economy and that will make us as Scots more employable. We used to talk in the Parliament about building a knowledge economy and rejecting the approach of having low-wage, unskilled jobs at any price. That means supporting a vocational as well as an academic approach to education from an early age. It means lifting further education to something approaching parity with higher education, not demoting our colleges.

We need to rebuild trust and confidence in our economic institutions. We could start by making them more accountable. We could do worse than start with our transport infrastructure, by introducing a regulated bus system and a different form of co-operative ownership of our rail network. If people in Scotland who are trying to get to work are feeling squeezed by the rise in bus and train fares, we need to introduce mechanisms that reflect public concern and keep fares to a minimum, rather than have a situation in which the pockets of private shareholders are lined.

**Bruce Crawford (Stirling) (SNP):** I have heard many Opposition members talk about the impact on colleges. Last week, I asked people at the Stirling campus of Forth Valley College what is happening. Members might like to know that, between 2011 and 2012-13, attendance went up 148 per cent in the under-16 age group, 121 per cent among 16 to 19-year-olds, and 192 per cent

in the 20 to 24 age group. That is a remarkable achievement.

**Ken Macintosh:** I say to Mr Crawford that the figures for Scotland show that there are about 100,000 fewer Scots at college than there were five years ago. The head count for people attending college is so dramatically down that SNP members should be ashamed of themselves for trying to identify individual colleges that might buck the trend.

The cross-party group on colleges and universities heard today about the impact, not just on numbers but on our most vulnerable people. We heard that disabled people, in particular, are not getting places at our colleges. That is to do with decisions that the Scottish Government has taken, using the powers that we have now. Those are not progressive decisions and they do not represent investments in our children's education or our young people's future; they are populist and deliberate cuts, which affect and damage our future while Scotland is on hold.

**The Deputy Presiding Officer:** You must close.

**Ken Macintosh:** Very well, Presiding Officer.

I know that the cabinet secretary shares an agenda with some of the progressive forces in the Parliament, as the national performance framework demonstrates. I ask him to commit to work with us to use the powers that we have now, to make a difference now. I support the amendment in the name of Iain Gray.

**The Deputy Presiding Officer:** Members must try to stick to their six minutes.

15:46

**Mark McDonald (Aberdeen Donside) (SNP):** Ken Macintosh has introduced the interesting concept of a populist cut. I am not entirely sure what he meant.

However, we know that Ken Macintosh welcomes the council tax freeze, free prescriptions and other things that the Scottish Government is doing to keep money in the pockets of people at the sharp end, as Mr Ewing said. We know that, because that is why Mr Macintosh unfortunately finds himself on the back benches; he did not agree with the “something for nothing” speech.

It seems that his successor in the finance role, Mr Gray, does not agree with the “something for nothing” speech, either. In that speech, Ms Lamont said that university standards are in decline, but Mr Gray has accepted that we have world-class universities in Scotland. I welcome that acknowledgement, although I do not welcome what might await Mr Gray when his leader finds

out that he too has ditched the rhetoric of her speech.

Mr Gray threw out the usual insult about the First Minister's attendance at the Ryder cup. Let us talk about a different golf tournament. The Scottish Open is due to come to the Royal Aberdeen Golf Club course in my constituency in 2014, and it is estimated that the event will generate £10 million for the local economy in Aberdeen. Only yesterday, Rory McIlroy, one of the world's top players, announced his intention to play at the event, which I am sure will significantly boost the number of people who attend.

Members might assume that the event's coming to Aberdeen would be universally welcomed, but that is not the case. Local Labour councillors are calling on the Scottish Government to pull the plug and withdraw funding from the event. I cannot for a second believe that a Labour Party that claims that it cares about the country's economic development would seek to inflict such economic vandalism on Aberdeen, simply to pursue a grudge against the First Minister. However, that it should do so rather demonstrates the measure of the Labour Party in Aberdeen and at national level.

Kevin Stewart talked about NCIMB, which is in my constituency. I, too, attended the briefing that he mentioned, at which we also heard from NovaBiotics Ltd, which is also based in my constituency, at the Craibstone estate. NovaBiotics chief executive, Dr Deborah O'Neil, outlined the company's work, which involves partnership with venture capital and angel investment to roll out a product that will have a significant impact in relation to curing fungal nail infection.

Members might not have expected to hear about fungal nail infection during a debate on the Scottish economy.

**Willie Rennie:** Will the member take an intervention?

**Mark McDonald:** If it is about fungal nail infection, I will do so.

**Willie Rennie:** I just wanted to say that it is better than the bugs that Kevin Stewart was talking about.

**Mark McDonald:** We aim to please, Mr Rennie.

There are three important points about the product. The first is that the rolling out of the product is about creating jobs and making money within the economy. The second is the fact that the company was spun out from the Rowett Institute of Nutrition and Health and is one of the many companies that are being spun out from our world-class universities. Indeed, the PraxisUnico annual report shows that the University of

Edinburgh, the University of Aberdeen, the University of Glasgow, the University of Strathclyde and Heriot-Watt University all feature in the top 10 universities that are most active in the creation of spin-outs in the past three years. That is testament to the great work that is being done in our universities and the support that is being given to the companies to help them to spin out.

The third key point, which addresses the point that Alison Johnstone and Joan McAlpine raised in their contributions, is that the majority of the companies are female led. In fact, the majority of the companies that we heard from at the briefing were female led. It is acknowledged that the life sciences sector sees a disproportionate number of females graduating versus the number of males. By encouraging spin-out companies in the life sciences sector, we can start to address the imbalance that those members spoke about in female entrepreneurship in Scotland. I agree and accept that that will not resolve the entire issue, but it would help to go some of the way.

**Joan McAlpine:** The member makes a good point about women in life sciences. Does he agree that, if the Parliament had full tax powers, we could provide incentives to the very industries that he is talking about?

**Mark McDonald:** I agree absolutely. What we have done with the powers that we have, with the small business bonus scheme, is helping, but I agree that being able to offer a range of different tax incentives, particularly to start-up and spin-out companies, would be beneficial.

I turn to Gavin Brown, who spoke about assistance to the construction industry. I visited Anderson Construction, which is based in my constituency. It employs 40 people and sustains 40 subcontracts at any one time.

**The Deputy Presiding Officer:** You are in your final minute.

**Mark McDonald:** The chief executive, Kenny Anderson, highlighted to me that the most important thing that we can do to help the construction industry is to use direct capital investment. While Mr Brown says that we could offer a wee bit more rates relief to the construction industry, the clear message from the construction industry is that direct capital investment—the very thing that Mr Brown's own Chancellor of the Exchequer is choking off—is what it requires. Will Mr Brown take that argument to his chancellor? *[Interruption.]* His sedentary remarks appear to indicate that he will simply act as another apologist for the austerity regime rather than take back the serious concerns of the construction industry.

That is why it is important that we have the powers here. We are not about power for power's

sake; we want power as a means to deliver a better regime for business and to deliver a stronger economy for Scotland. The Opposition parties need to raise their game in terms of ambition and imagination for the future of Scotland. With the powers here in Scotland, we can deliver a much brighter future for the Scottish economy.

15:52

**Richard Baker (North East Scotland) (Lab):**

As the Government's motion and our amendment suggest, our economy will be the central issue in the independence referendum, as has been reflected in the debate thus far.

What has been striking in the Scottish Government's position is that, despite its virulent opposition to the continuation of the United Kingdom, it has been so anxious to communicate to the electorate that when it comes to the key levers of the economy, nothing will change. It argues that we will keep the pound, that we will keep UK-wide financial regulation and that we will keep the Bank of England—although, of course, the Scottish Government cannot offer certainty on any of those points.

In offering that argument, those who advocate separation are highlighting the strengths of the case for remaining in the United Kingdom, where we know for sure that we will retain those benefits for our economy. If those things were not so beneficial, those who argue for what they call independence would not be so much in favour of retaining them. Our remaining within those shared institutions of the UK is crucial to key sectors in our economy, such as financial services—especially here in Edinburgh—and it is also important that we remain in a single energy market.

**Margo MacDonald:** I am interested in what Richard Baker is saying and I am glad that he, and everyone else, is taking the subject seriously this afternoon. How could we fine tune the Scottish economy in the way that was described by Joan McAlpine and Alison Johnstone, when they talked about women's employment and the creation of more women's employment, if we do not have the fundamental lever of power that allows us to make our own choices?

**Richard Baker:** As it happens, I think that Margo MacDonald has a far more consistent argument on independence. I do not agree with it, but it is a consistent argument, which one has to respect. On the issues that she raises in respect of skills and empowering women, I think that education plays a key role. I will return to that subject later in my speech and will address some more of her points.

I was coming on to the energy market, because it is crucial to the north-east's economy. We had the results of the schools referendum in Aberdeenshire yesterday; it was interesting that 75 per cent of pupils made a positive choice for Scotland to remain in the UK. That highlights anxiety about the proposition that is being put forward, by those who advocate separation, with regard to the energy industry. They want to use oil and gas to balance the books, but as Malcolm Chisholm pointed out in yesterday's debate, that would have applied only in six of the past 22 years.

We have to question how confident the Government itself is about the north-east economy. I asked Derek Mackay today about the business rates incentivisation scheme in Aberdeen. In response to my question he argued that, far from being the success story that we thought it was, the rateable value of properties in the city of Aberdeen has fallen. That is an extraordinary claim. I doubt whether it is accurate, but if it is the case, it means that the sums for separation do not add up—to an even greater degree than we thought previously. What we do know is that with the powers that they already have, ministers are not taking the action that they should take to ensure that we realise the full potential of our oil and gas industry.

**Fergus Ewing:** Does Richard Baker accept that what the oil and gas industry needs but has not had—I say with respect—under either of the two recent UK regimes, is tax stability over the lifetime of major projects? The industry has had three tax hikes, which has undermined confidence throughout the world.

**Richard Baker:** It is extraordinary to hear the minister supporting stability, given his proposition to move to an entirely different system of taxation. Of course, the minister cannot even say how he would pay for decommissioning. No wonder so many people in the industry are deeply concerned about what the Scottish Government is putting forward. It is not just about future taxation, important though that is; it is about supporting local infrastructure. It was wrong for ministers to scrap the Aberdeen crossrail project and to delay until 2020 improvements at the Haudagain roundabout, which cost local businesses in Aberdeen tens of millions of pounds every year.

This brings me to the point about skills gaps. We know about the skills gaps facing the oil and gas industry in the north-east and yet—despite what Mr Crawford said when he was here—this Government has slashed funding for colleges.

**Kevin Stewart:** Will the member give way?

**Richard Baker:** I need to make progress. I apologise—I have only a minute and a half left.

There were more than 100 fewer staff members at Aberdeen College in 2011 than there were in 2006. That inhibits the potential of our colleges to train local people in the skills that they need for the oil and gas industry. It is an opportunity cost for those individuals and for our local businesses, which need skilled workers.

What is clear is that with the powers that they have at their disposal now, ministers are not doing enough to support the very industry that they would rely on in a separate Scotland. So many plans are still to be paid for by oil and gas revenues. Only today we hear that they are to be used to pay to renationalise the Royal Mail in Scotland. We in the Labour Party oppose the privatisation of the Royal Mail, but the issue is far too important for a policy to be developed over the course of a minute in response to a question. I look forward to hearing from Mr Ewing in his closing speech the detailed figures on the proposal. That is what postal workers and people who rely on these services deserve—a serious debate on a serious issue.

The very UK institutions that the separatists hope to retain in a separate Scotland make the case for those of us who believe that we are better together and that the economic future of Scotland—particularly the north-east—is best served by a strong Scottish Parliament that is properly focused on the needs of our economy, within a United Kingdom, thereby ensuring that Scottish businesses have the opportunities that they need and deserve.

**The Deputy Presiding Officer:** Thank you. We now have no time in hand. I call Jamie Hepburn, to be followed by Chic Brodie.

15:59

**Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** I very much welcome today's debate. We have one year minus one day to go until the referendum. Yesterday's debate was obviously the main focus for that landmark, in parliamentary terms. It is also appropriate to see today's debate in the light of that landmark. The need to secure an economy that is fair and which delivers for the needs of the people of Scotland is one of the reasons why we need independence.

I thought that Mr Gray's case to the contrary was interesting. His contribution took us through the ages. He rehearsed some of the arguments of the 18th century when he quoted a member of the Scots Parliament of 1707. He then managed to drag himself into the 20th century to traduce the experience of Slovakia. I thought that it was interesting to use that country's experience, because the point has been well made how well Slovakia is doing.

**Iain Gray:** Will Jamie Hepburn give way?

**Jamie Hepburn:** I will do so in a minute.

Mr Gray surely must recognise that the circumstances in which Slovakia and the Czech Republic emerged as independent countries are somewhat different from the Scottish experience today. We are not re-emerging from behind the iron curtain, whatever Mr Gray might say. Talk of "capital flight" hardly smacks of a positive case.

**Iain Gray:** My description of what happened to monetary union between the Czech Republic and Slovakia was simply about a matter of fact. However, I am fascinated by Mr Hepburn's point, because only yesterday the Deputy First Minister told us that we should follow the example of 159 countries that have become independent since the second world war, all of which were emerging from conflict, the fall of communism or decolonisation, or from all three. That is a ridiculous example and I am glad that Mr Hepburn agrees with me about that.

**Jamie Hepburn:** Mr Gray might think that it is a ridiculous example but, to be frank, that was a ridiculous intervention.

In his speech, Mr Gray finally turned to the 21st century and raised the spectre—the bogeyman—of an independent Scotland being prostrate before the challenge of recapitalising the banks. However, he must know that if Scotland had been independent in 2008, there would have been a clear role for the rest of the United Kingdom in recapitalising the banks. All members must surely understand that the great part of the UK domestic portfolio of RBS and HBOS is based furth of Scotland, so there would have been a clear need for the rest of the UK to help in recapitalising those banks. After all, that is why the United States of America made a payment towards recapitalising RBS.

**Gavin Brown:** Will Jamie Hepburn give way?

**Jamie Hepburn:** I will give way in a minute.

To take Mr Gray's argument to its logical conclusion, I will use the example of one of the banks in Scotland that did not need to be recapitalised: the Clydesdale Bank. Under Mr Gray's peculiar logic, it would have been left to the Government of Australia to recapitalise that bank, because it happens to be part of National Australia Bank. It must be placed on the record that Mr Gray's argument is nonsense, and the people of Scotland must see through it.

**Gavin Brown:** First, did the United States recapitalise RBS or did it provide some liquidity? Secondly, would it actually be legal for a foreign Government to recapitalise a foreign bank?

**Jamie Hepburn:** I think that the point is clear. Mr Brown himself has made it clear, because the United States Government did make a payment towards helping RBS through its financial difficulties. The argument that the rest of the United Kingdom would not have had a role to play if Scotland had been independent in 2008 is, frankly, nonsense.

**Iain Gray:** Perhaps Mr Hepburn can explain why the UK did not recapitalise the Icelandic banks, much of whose business was here in the United Kingdom? We refused to do that.

**Jamie Hepburn:** If Mr Gray cares to take a look at what the United Kingdom actually did—it used its anti-terror legislation to bring the Icelandic banks to their knees—he will see what actually happened in relation to those banks. However, let us move away from Iceland and get back to Scotland.

It is clear that we have a strong basis of a good and sound economy here in Scotland. We are well resourced with oil and gas and have 25 per cent of Europe's tidal and offshore wind resources, we have a well-educated population, and we have a variety of strong sectors. In addition, Scotland has one of the best sets of national accounts of any country in the developed world in terms of GDP per head; Scotland would be ranked eighth out of 34 OECD countries, whereas the UK is ranked 17th. Another measure of economic and social progress is the United Nations human development index, which shows Norway ranked first. Ireland, which is much traduced by other members in this place, is jointly seventh with Sweden, and the United Kingdom is 26th.

The Scottish Government has taken forward a range of measures to support the Scottish economy, be it through its capital investment programme last year supporting 40,000 jobs across the economy or the appointment of the only dedicated Minister for Youth Employment in the UK.

We could do so much more with independence, of course. It was interesting to hear Ken Macintosh quote Joseph Stiglitz. He was part of the fiscal commission working group, whose report stated:

“the opportunities for the Scottish Parliament and Government to adopt a different approach are particularly limited.”

Later, it states:

“Under the current constitution arrangements, the full range of economic policies cannot be tailored to the specific structure, opportunities and challenges of the Scottish economy.”

**The Deputy Presiding Officer (John Scott):** You should be drawing to a close, please.

**Jamie Hepburn:** That is why we need independence.

16:05

**Chic Brodie (South Scotland) (SNP):** Yesterday, I sat and listened to the debate about Scotland's future. I listened with increasing depression to the speeches from the rows of Typhons on the Opposition seats. Few of the arguments that were posed addressed the fundamental issue that we will address first next year, which is the seeking of economic and political control by and for our country.

It is in the context of the famous Clinton election phrase, “It's the economy, stupid”, that we should see the primacy of the economic argument—and not just next year—in relation to the UK and global economies. It is about how prosperous on an on-going basis this country and its people can be, and it is about building, from that, the kind of country and people that we wish to be. After that priority, properly set out, will come the resolution of the various unions such as the social union, the defence union and so on.

In the current global economic structure, it is fanciful to imagine that a nation can be isolated from international finance and capital-flow pressures. However, given the need in such situations for flexibility and focus, I believe that a Scotland that is in command of its own economy will be best placed to handle those pressures. In fact, I will demonstrate later that small, economically robust countries can counter international interest-rate pressures, and can do so well. I say in passing that, given the rant that goes on about the currency, we should remember that it is Westminster that needs Scotland's productive assets to shore up sterling, rather than the other way round.

The previous Institute for Fiscal Studies report, at the end of last year, stated:

“The UK's fiscal position in 2014 ... is unlikely to be healthy ... potential national income is now estimated to be a full 13% lower in 2016–17 than was projected by the Treasury back in 2008.”

Total UK debt—personal, public and corporate—is £1.40 for every £1 of national income. I am certain that that figure will increase on the back of another housing bubble.

I return to the current IFS study, which states on page 78:

“if North Sea revenues turn out to be substantially stronger than the OBR forecasts”—

they have not been particularly good in the past—

“the fiscal situation in Scotland might actually be ... stronger than that for the UK as a whole”.

Of course, revenues are not just a product of price, but are a consequence of volume. We have not even considered the volumes of oil and gas that exist, for example, off the west coast of Scotland. I suggest that we watch this space.

In a global sense, the David Skilling report in 2012 indicated that small developed countries with populations of fewer than 20 million have economically outperformed larger developed countries over the past few decades. Of 34 advanced economies as defined by the IMF, 23 have populations smaller than 20 million.

However, it is not just our size but the strength of our balance sheet that counts. I do not need to rehearse the asset disposition of our natural productive resources, our education system or our people or, contrarily, a fairer distribution of liabilities. In 2011-12, Scotland's per capita share of public sector net debt was 62 per cent and the UK's was 71 per cent—assets better, liabilities lower. When Opposition members talk of Scotland taking its share of the UK national debt—managed, I hasten to add, by the UK Treasury—let them also talk of our substantial assets. The real value of a country, just like that of a company or an individual, is in its productivity and net worth—and what worth we have.

Even without the GDP that is generated in the North Sea, Scotland's GDP per head is almost the same as that for the rest of the UK, which is distorted primarily by London's GDP. When we add in North Sea output on a geographic basis, Scotland's GDP per head goes up to 117 per cent of the UK level. Of course, this is not just about our oil and gas assets; our brand and reputation are propelling us towards becoming a renewable energy powerhouse and a world-renowned tourist destination, and we must bear in mind our green energy reserves and skills and industries such as food and drink, and all the others that have been mentioned this afternoon.

After losing the resource of our young people in two world wars and with the centralisation of the economy in London after the second world war, Scotland had been injured. However, here is the news: we are on our way back with an economy that is stimulated by enterprise agencies, that attracts world-renowned businesses and which is supported by our social enterprises—509 of which are in Glasgow—our knowledge-transfer capabilities and so on.

Of course we have a lot to do to increase the number of surviving small businesses, to capitalise further on research and development in our colleges and universities and to repair damages and imbalances in the economy so that we can seek a fair and just economy—

**The Deputy Presiding Officer:** You should be drawing to a close, please.

**Chic Brodie:** Last week, when I met interlocutors who deal with a substantial foreign investment bank that is attracted to Scotland, I was asked, "Can Scotland do it on its own?"

**The Deputy Presiding Officer:** I would be grateful if you would close, Mr Brodie.

**Chic Brodie:** I invoke the words of another US President: "Yes we can"—and yes we will.

16:11

**Neil Bibby (West Scotland) (Lab):** Stimulating economic growth and creating jobs for people should be at the top of our agenda. Of course, we on this side of the chamber welcome the rise in employment, but the reality is that unemployment, too, is up by 10,000 and, as has been reported, over the past quarter there has been a 13,000 increase in female unemployment and 32,000 more 16 to 24-year-olds are out of work. The job market remains extremely tough for my constituents and the people looking for a job in my area in the west of Scotland want action to support them.

I, like other members, organised a jobs and skills fair earlier this year. This fair was in Paisley and, although it was helpful to many, the huge turnout was a stark reminder of the sheer scale of the challenge that we face to provide jobs for people. It also completely blew apart the myth put forward by some that people, particularly young people, do not want to work. I can categorically tell the chamber that the appetite for work exists.

The reality is that many of the constituents I speak to do not care who takes action; they just want job creation—and they want it now. As far as Scotland's economic needs are concerned, the UK and Scottish Governments are failing to stimulate sufficient jobs and secure sustained economic growth. We need a change in approach and emphasis from both Governments not next year or the year after that but now.

The problem is not that the people of Scotland need independence before things can change for the better; it is that the people of Scotland have a Government that is so obsessed with independence and the referendum that everything else has been pushed to the side. The cabinet secretary described his budget last week as a "budget for independence" when what we should have had—and what we need—is a budget for jobs and growth rather than one that keeps Scotland at a standstill for the next 12 months.

It is becoming increasingly evident that what counts is not the powers that we have but what we do with them. The truth is that, despite SNP



members' insistence this afternoon that only independence would give them the powers they need to act, the Scottish Government already has the key powers that it needs over, for example, employment, skills, colleges, housing and childcare to take action now.

**Mark McDonald:** Will the member give way?

**Neil Bibby:** Not just now.

For example, as Margaret McDougall has pointed out, the Government could use its procurement powers to limit zero-hours contracts and extend the living wage to put money in the pockets of the lowest-paid workers. It could begin to reverse its college cuts, which are having a devastating impact on students and staff, with 120,000 fewer part-time students and 1,200 jobs gone. It makes sense that, if people cannot get a job, the least we should be providing them with is the opportunity to train or retrain. Last year, the National Union of Students, the Educational Institute of Scotland and Unison said that college cuts would harm economic recovery—and they are right. According to the Scottish Parliament information centre, the Government is continuing its real-terms cuts to colleges in 2014-15 and 2015-16 when it should be repairing the damage that it has already done. By 2015-16, it will have cut college budgets by over £100 million in real terms since 2007.

As has been mentioned, more needs to be done to support families with childcare, which is crucial in supporting people, particularly women, back into work. We welcome the increase to 600 hours of free childcare for three and four-year-olds in the Children and Young People (Scotland) Bill, just as we welcomed it when it was first promised in 2007. By now, we should be thinking about what can be done next—provision for two-year-olds and wraparound care for primary school-age children. Just a couple of months ago, we proposed a childcare commission to work with all parties to look at the childcare challenges that we face and discuss the best ways to tackle them. It is regrettable that the SNP chose not to work with us on that.

Of course, SNP members will argue, as they have this afternoon, for full economic powers. They have been arguing for that for many years. The only difference seems to be that, these days, they want to keep the British pound, so maybe they do not want full economic powers after all.

**Mark McDonald:** Will the member take an intervention?

**Neil Bibby:** That is one of the major problems that I have with the yes campaign—its members cannot even agree on something as fundamental and basic as currency. Further, as Iain Gray has said, by promising to cut corporation tax at a time

when families are struggling to pay the bills, they have shown that they would not use the powers that they demand wisely. Planning to slash corporation tax for big business is just plain wrong, and would result in £300 million being cut from public services, cut from schools and cut from hospitals. There is no way that I could support that, and I believe that the vast majority of my constituents would think the same.

**Mark McDonald:** Will the member take an intervention?

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

**Neil Bibby:** I believe that it is in Scotland's interests to remain a strong and integral part of the UK economy—the sixth-biggest economy in the world. I believe that it is in Scotland's interest to continue to use the British pound. I also believe that Scotland should help to elect the UK Government and the Chancellor of the Exchequer, who appoint members of the Bank of England and set its targets. I do not believe that it is in Scotland's interest to leave the sixth-biggest economy in the world, to have no monetary control or power and to set up an artificial border with our biggest partner. I do not believe that it is in our interests to leave a union where we get higher public spending per head than the rest of the UK.

**Kevin Stewart:** Will the member give way?

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

**Neil Bibby:** I care about Scotland and our people as much as anyone else here. My fear is that the SNP members want independence so badly that they want it at any cost, whether we are richer or poorer.

It is in our economic interests to remain part of the UK and I will campaign and vote with other Scots in Scotland's interest. I support the Labour amendment.

16:17

**Bruce Crawford (Stirling) (SNP):** I want to begin, as I always try to, on a positive note. As the debate on the constitutional future of our country matures, I am glad that serious parties that are involved in the debate now agree that Scotland could be an economic success following independence. That is a significant step forward from the too small, too poor message that used to prevail in anti-independence rhetoric, and I very much welcome the approach that is now being adopted.

That is what I had decided to say at the beginning of my speech but, having heard Iain

Gray's speech, I am not sure that it is still true. However, I will remain hopeful and positive.

Of course, when the facts are laid out, it becomes more and more difficult and intellectually challenging to come out with an argument that continues with the mantra of the past. As the cabinet secretary said, Scotland is a wealthy and productive nation. Our GDP per head is at higher levels than that of the UK. Scots pay more tax per head than people in the rest of the UK do. Scotland is in a stronger fiscal position than the rest of the UK.

From now on, therefore, the debate should be about which potential future is likely to deliver the best outcome in terms of sustainable growth in our economy, increased prosperity for all our people and the means to tackle the deep inequalities that, depressingly, still exist in this rich country of Scotland. Will it be a future in which we continue to be tied to a Westminster whose economic policy disproportionately benefits the economy of the City of London, or will it be a future in which the people who will gain most from Scotland making its own decisions on the future have some control? Will it be a future in which those who live and work in Scotland can tailor policies that are best suited to the Scottish need? That sentiment has been expressed a number of times in this Parliament in the past couple of days. I assure everyone that they will hear a great deal more of it in the next 12 months.

If the people of Scotland decide that their choice is independence, we will begin our journey as a new nation on the world stage with some truly fantastic advantages. We are blessed with an enormous potential contained in our natural resources and our people—a potential that is well reflected in the significant competitive advantage that we have in clean technology, renewable energy, life sciences, quality food and drink, and oil and gas. It is the remarkable advantage of renewable energy that I want to speak about in the rest of my speech.

Scotland can play a leading role in the low-carbon revolution, just as a couple of centuries ago we played a lead role in the industrial revolution. Scotland has the key strength to be a world leader in that revolution through our natural resources and our research and skills base. However, the piece of the jigsaw that makes Scotland one of the best places in the world to invest in renewable energy projects is our history of engineering and manufacturing expertise. Through the great success of our oil and gas sector over the past 40 years, we have developed knowledge and expertise in engineering in hostile deepwater environments that has few rivals anywhere in the world. That fantastic legacy will

give a huge competitive advantage to the marine industry in the renewables technologies field.

We already have a sense of direction and clarity that is paying dividends as Scotland attracts major investments in renewable energy. Significant commitments have been made by leading international and Scottish companies such as Gamesa, Samsung, Mitsubishi, Areva and Global Energy Group. Already, about 11,000 people are employed in the renewables sector, and it is estimated that it could deliver up to £46 billion of investment. We have established the European Marine Energy Centre in Orkney as the first of its kind in the world, where there are more grid-connected marine energy converters deployed than at any other single site around the globe.

**Ken Macintosh:** The companies that Bruce Crawford listed are all international companies. Does he share my concern that the vast majority of the profits from the Scottish renewables industry are going abroad?

**Bruce Crawford:** Those companies are coming to Scotland and creating jobs. They are prepared to invest in something that is significant for our future because they recognise that Scotland is a success and want to put their money behind that success. In any case, not all those companies are international—Ken Macintosh should do his homework.

**Margo MacDonald:** The member will be too young to remember it, but the Scottish Development Agency was meant to provide the capital for such upcoming companies. Who is doing that now?

**Bruce Crawford:** There can be no doubt that the focus of the Scottish Government has attracted significant interest around the world because of its clarity of direction and understanding. The Parliament should share in that because it, too, has that clarity around renewables. We should all be part of that success and agree it.

Consent has also been given to the European offshore wind development centre to develop new technology and techniques that will be vital to offshore wind power. Potentially, 28,000 jobs will be created in that area as well as many more through indirect employment.

Why is that investment taking place? The answer is devastatingly simple—the waters around Scotland offer the greatest potential offshore renewable resource in Europe. Together with the ingenuity of our people and our other remarkable natural resources, that will provide the newly independent nation of Scotland with a fantastic platform on which to start her new journey.

16:23

**Stuart McMillan (West Scotland) (SNP):** I am pleased to have the opportunity to speak in the debate. This is an important issue, as it highlights the potential that Scotland has to move forward with independence. My speech will focus on a couple of examples that illustrate why the Parliament needs the normal powers of an independent country to help the Scottish economy.

Two recent concerns show why Westminster is not working for Scotland. The first of those is the bedroom tax, which is also commonly known as the spare room subsidy. Frankly, the policy penalises those who are in most need. It punishes those who are on housing benefit and there are simply not enough one-bedroom properties to make the policy work in Scotland. It takes valuable income away from those at the lower end of the income scale as they struggle to retain their house. The policy will also end up costing the state more as tenants of social landlords look to the private sector for housing, even though such housing generally costs more in benefit claims.

All the main unionist parties support the policy in one way or another. Labour introduced it for private sector tenants and the Lib Dems and Tories expanded it to cover the tenants of social landlords. It will be interesting to hear from Labour politicians, in their closing speeches, about their current position on the bedroom tax. Do we believe Anas Sarwar and Jackie Baillie, with their proposals to abolish it, or do we believe the leadership of London Labour, who said that Ms Baillie went too far and who have no plans to repeal the pernicious legislation?

**Murdo Fraser (Mid Scotland and Fife) (Con):** I am grateful to Mr McMillan for reminding the Parliament that Labour introduced measures to end the spare room subsidy for private sector tenants. Can he remind us how the SNP voted in the House of Commons when Labour brought in that change?

**Stuart McMillan:** I can certainly tell Mr Fraser that, when the bedroom tax was voted on in the House of Commons, the leader of the better together campaign decided to attend a better together meeting in Aberdeen rather than go down there to vote against the measure.

Another issue that I want to raise is the privatisation of the Royal Mail. Margaret McDougall said earlier that she would talk about issues of importance to the people of Scotland. I suggest to her that the proposed privatisation of the Royal Mail is one such issue and I hope that she will support the First Minister's comments about bringing the Royal Mail back into public ownership if the privatisation goes ahead.

We in the SNP question why this privatisation is being progressed. Privatisation poses a real danger to the postal service's universal service obligation, which is of huge importance to Scotland. A privatised postal service in a competitive market will undoubtedly put pressure on the Government to reduce the terms of the USO, as its competitors cherry-pick the profitable urban routes, with the result that there will be a reduced service in rural and less affluent areas. Given the experience of previous privatisations, there are legitimate concerns about whether the regulator will provide real protection to consumers on either price or service—a point that was raised time and again when I was a member of the Economy, Energy and Tourism Committee, as Murdo Fraser will know.

Some might ask why I have raised the issues of the bedroom tax and the Royal Mail's privatisation in a debate about Scotland's economy. Quite simply, the more money that people have to spend on items of their choosing, the better. If the USO is altered for a privatised Royal Mail, how will that affect smaller communities and the voluntary groups that utilise and sometimes rely on the Royal Mail to deliver services?

**Iain Gray:** Will the member give way?

**Stuart McMillan:** Sorry, I do not have time.

If such groups need to decrease their service levels or stop altogether, what kind of negative effect will that have on the economy? Will more people feel that they are being left on the margins of society? Absolutely, they will.

There are many and varied things that the SNP Government is doing and has done to make Scotland a better, more prosperous and fairer country. That includes our commitments to what could be described as the people's policies, such as the council tax freeze, free personal care for our older citizens, no tuition fees for students and free bus travel for the over-60s, as well as many more such policies. However, a description of what the SNP Government is doing is perhaps best left to the comments of a former member of this Parliament, Lord George Foulkes, who stated:

"The SNP are on a very dangerous tack. What they are doing is trying to build up a situation in Scotland where the services are manifestly better than south of the border in a number of areas."

When asked whether that was a bad thing, Lord Foulkes replied:

"No, but they are doing it deliberately."

We know that Westminster is not working for Scotland and even Labour politicians accept that the SNP Government is making services better under devolution. How much more we could achieve with the full powers of independence. At

least £222 million of the Scottish budget is spent trying to mitigate Westminster's welfare reforms. That is £222 million that could be spent on investing further in the Scottish economy, the national health service, local government or even colleges. As the finance secretary recently highlighted, Scotland is a prosperous nation. We know that. We have paid more in tax per head in each of the past 30 years than the rest of the UK. With the full fiscal and economic powers of independence, the Scottish Government could do more to strengthen our economy and to create more jobs.

However, the main gain from independence is that it will be fundamentally better for us all if decisions on Scotland's future are taken by the people who care most about Scotland—that is, by the people of Scotland. Our economy can grow and prosper when the economic levers and decision-making powers are in this Parliament. I back the motion in John Swinney's name.

**The Deputy Presiding Officer:** I remind all members who have taken part in the debate that they should be in the chamber to hear the closing speeches.

16:29

**Patrick Harvie (Glasgow) (Green):** John Swinney began, after reminding us that it is five years since the economic crisis that precipitated the recession, by saying that there has recently been a brightening economic outlook. However, even the cabinet secretary, who I think in all honesty seeks to broaden the national performance framework into a more holistic document, spoke of that brightening outlook principally in GDP terms. Even when he went on to discuss employment, it was all about the numbers and not about the quality of employment or the livability of real incomes.

He also said that "recovery remains in its early stages", but I will go further and say that our understanding of what recovery even means is yet to develop properly. When the economic crisis was unfolding, I said that there must be a difference, as recovery could not mean simply patching up the patient. Recovery means not reanimating a corpse, but dealing with the underlying disease. Recovery cannot be allowed to mean getting back to business as usual.

The UK Government's austerity policy, which is trying to sustain a fundamentally unsustainable market-dominated economic model, has been criticised effectively on many occasions. I believe, as the Green amendment states, that the green new deal, which has been promoted for the past five years and updated in the past month or so, is

the most consistent and coherent alternative plan for the UK.

The green new deal group's most recent report, "The Green New Deal 5th Anniversary Report: A national plan for the UK", outlines a programme of green quantitative easing. That is very different from simply dumping created money on to the money markets; it involves genuine investment in the real economy, in the jobs and economic activity that will help to transform the economy.

The report suggests controls on the banks that have been bailed out to ensure that they also invest in the real economy, and the use of green QE to buy out private finance initiative deals, which would free up money for investment at a local government level as well as nationally.

It is inspiring at present to see the way in which that same agenda, under various names, is gaining momentum in Scotland. In the past few years Oxfam has drawn up its humankind index—which we have debated in the chamber and which, I think, has helped to inform John Swinney's work—the Carnegie Trust has produced its report "Shifting the Dial in Scotland" and the Church of Scotland has published the report of its special commission on the purposes of economic activity.

As members know, I am pretty cynical about religion, so I particularly enjoy quoting the Church of Scotland's special commission on the purposes of economic activity. Its report states:

"All economies are embedded in social relationships. Refusal to name this has created a situation in which society too often seems to exist for the benefit of the markets."

It goes on to assert that

"This is no time for business as usual."

Subsequently, Oxfam has continued its work by publishing the reports, "Whose Economy?: Winners and losers in the new Scottish economy" and more recently "Our Economy: Towards a new prosperity", while the Jimmy Reid Foundation has contributed by publishing its paper on "The Common Weal: a model for economic and social development in Scotland".

Taken together, those documents—and others—offer a transformational vision of a better Scotland, a more equal society and a more sustainable economy.

Iain Gray complained that the Scottish Government is focusing only on independence instead of on the economy—and went on to make a speech which was almost entirely about independence. Last week, and again today, we heard members on the Labour side of the chamber making the case that Scotland is on hold because of the referendum, even though—as far

as I am aware—all political parties have now accepted the need to hold one.

The argument that Scotland is on hold might sometimes be true within the chamber, where, frankly, any one of us is capable of turning any debate into a proxy for independence. However, that is not true outside the chamber. So much of the work that is being done by all those organisations, which are offering new transformational ideas, is being generated here in Scotland in the context of the constitutional debate. Many of those ideas have relevance for either a yes or a no result. Even with the current powers of devolution, we might be able to achieve 10 or 20 per cent of the ambition that they embody. We can—and must—begin that right now, but we should not settle for 10 or 20 per cent.

**Ken Macintosh:** I share entirely the member's enthusiasm for the discussions that are taking place across civic Scotland and elsewhere, but I do not recognise that they are in any way linked to independence. I think that they have been generated by the collapse of the banks and the financial crisis.

I entirely support Alison Johnstone's earlier comments. How can Patrick Harvie support those documents and yet hitch his wagon to a cut in corporation tax from the SNP?

**Patrick Harvie:** Ken Macintosh knows very well that I have criticised that policy on many occasions. I am no more accountable for the SNP's tax policies than he is accountable for the Tories' policies.

Gavin Brown clearly and unsurprisingly sought to represent the status quo economic model that I seek to challenge. Fair enough—that is his job, I suppose. His appetite for even greater tax competition reminded me again that the practice has been employed by Tory, Labour and, now, Tory-Liberal UK Governments. It is a mistake that Scotland must not repeat because the result has been a business culture in which the wealthiest hoard their gains in tax havens and in which many big businesses have built up huge reserves while paying poverty wages.

That vision of the economy is not only unsustainable and exploitative. It is, as Ann Pettifor described it, an "Alice in Wonderland" economy of low wages and poverty. Scotland deserves better. We can, and must, do better.

16:35

**Murdo Fraser (Mid Scotland and Fife) (Con):** I start on a note of disappointment. I am disappointed that Patrick Harvie's Thatcherite phase has lasted less than 48 hours and I am very disappointed with the analysis that John Swinney

gave in his opening speech, because all that we had from him was the same tired old mantra that it is all the UK Government's fault and that the problem is the UK Government's misguided economic policies. He was seemingly oblivious to the signs of economic recovery that we have been talking about in the chamber and which we have heard about over the past month or two.

**Margo MacDonald:** Will Murdo Fraser give way?

**Murdo Fraser:** Not at the moment. I want to make some progress if I can.

Let us remind ourselves of some of the things that Mr Swinney has said. In 2011, he said:

"the Westminster coalition's Plan A is an abject failure".

He was then joined by his SNP colleague, Stewart Hosie, the SNP Treasury spokesman in Westminster, who said in August 2012:

"The UK Government's economic plan simply isn't working".

Mr Hosie went on to say on 19 February this year:

"The Chancellor's failure to 'go for growth' risks a lost decade of economic stagnation if he doesn't waken up and invest for the future now ... Plan A has failed. It's time to go for growth."

A month later, Mr Hosie said exactly the same thing. He could not be bothered to think up a new soundbite. He said:

"Plan A has failed. It's time to go for growth."

All proved to be absolutely wrong.

**John Swinney rose—**

**Murdo Fraser:** Perhaps Mr Swinney will give us an explanation—or perhaps he has seen the light.

**John Swinney:** The point about plan A is that it was predicated on a certain level of borrowing that the UK chancellor envisaged in 2010. Will Mr Fraser explain why, if plan A has been so successful, the chancellor is having to borrow £244 billion more than he planned to borrow in 2010? Is that not an indication that austerity has failed to deliver the growth that was promised in 2010?

**Murdo Fraser:** Throughout that entire period, Mr Swinney was urging the UK Government to borrow even more money, so I will not take any lessons from him on that point. [*Interruption.*]

**The Deputy Presiding Officer:** Order.

**Murdo Fraser:** The SNP's sole solution, which we heard from Mr Swinney and from all the back benchers—the same old solution—is independence. We have heard that all week, we have heard it for the past year, and we will hear it non-stop for the next year.

**Bruce Crawford:** Will Murdo Fraser give way?

**Murdo Fraser:** Not just now.

What I find inexplicable is that the party that says that it believes in complete freedom of action for the Scottish economy wants to tie its own hands.

Yesterday, we heard an interesting speech from Rob Gibson—I do not think that he is back in the chamber this afternoon—in which he told us that UK energy policy was holding back the development of the renewable energy industry in Scotland. He was seemingly oblivious to the fact that it is the policy of Fergus Ewing—who sits on Rob Gibson's front bench—that, in the event of independence, we would be tied to UK energy policy and nothing would change because we need the electricity bill payers of England and Wales to subsidise our renewable energy industry.

As Willie Rennie and Richard Baker pointed out, we would be part of a currency zone with the rest of the United Kingdom, so the Bank of England would set our interest rates, be the lender of last resort and set our borrowing and spending limits. That is the Bank of England in a foreign country, answerable to a foreign Government.

Bruce Crawford made an interesting speech in which he said that we need to cut our ties with the City of London. That is not the policy of his Government. The policy of his Government is that the City of London will still have our lender of last resort and our central bank.

If ever we need evidence of links between monetary union and political union, we simply need to look at what has happened in the eurozone over the past five years. The lesson is that a monetary union requires a high degree of political union to work. If members do not believe that, they should just ask anyone from Greece.

**Chic Brodie:** Will the member give way?

**Murdo Fraser:** I would be delighted to take a devastating intervention from Mr Brodie.

**Chic Brodie:** Listening to Murdo Fraser reminds me of the fact that two things are infinite—the universe and human silliness.

What would happen to sterling if, tomorrow, the US Federal Reserve increased interest rates?

**Murdo Fraser:** I am not entirely sure what the relevance of that intervention is. I sometimes wonder whether Mr Brodie is on the same planet as the rest of us.

I have a point to make about the currency zone. Members of the SNP will be very familiar with the work of the economists Jim and Margaret Cuthbert. Last week, they produced an interesting

paper, "Economic Policy Options for an Independent Scotland", which says:

"It is a very good question ... whether the constraints which Scotland ... would have to concede in order to establish a joint UK currency union would actually be consistent with any meaningful form of independence."

According to the SNP's favourite economists, a currency union is not compatible with independence.

I turn to the Royal Mail, which Richard Baker and Stuart McMillan mentioned. This afternoon, we had a shock announcement from the First Minister—it came as a shock to us, and I am sure that it came as a shock to Mr Swinney, who, on television last night, was asked six times whether it was SNP policy to renationalise the Royal Mail but would not answer the question. Maybe Mr Swinney will tell us when he knew about that change in policy. Did he hear about it at the same time that the rest of us did—at 12.20 this afternoon?

**The Deputy Presiding Officer:** You must close, please.

**Murdo Fraser:** What is the timescale for renationalisation? How is it to be paid for? That just shows the weakness at the heart of this Government—it makes it up as it goes along.

16:41

**Jenny Marra (North East Scotland) (Lab):** Unfortunately, we are not here to talk about how we secure the recovery of our fragile economy, nor are we here to talk about extending our proud tradition of innovation, entrepreneurship and invention, or to debate how we invest in research, technology and skills.

**Jim Eadie (Edinburgh Southern) (SNP):** Tell us what we are here to debate.

**Jenny Marra:** If the member had read the motion, he might know.

We are not even here to debate the rise in zero-hours contracts, the 32,000 more young people who became unemployed this summer or the 13,000 more women who went to sign on this summer. Perhaps that is because Alex Salmond thought that those were good signs of positive recovery; he is indeed living in a parallel universe.

We are here for exactly the same reason that we were here yesterday, for which—stultifyingly enough—we will be here again and again over the forthcoming year: to talk about the economic levers that we might have in a year's time, but not to be told how the SNP plans to use them.

On Tuesday evening, a man at an employability debate asked me why the Scottish Government was not spending more time talking about social

enterprises and new ideas to encourage and support them. That is a good question. This week, we have spent more than two thirds of parliamentary time debating a referendum that is not to take place for another year. Would our time not be better spent getting down to the nitty-gritty of our social enterprises and the ideas of the man I spoke to on how to support and encourage them and make them better? Would our time not be better spent assessing whether we are giving sufficient support and advice to start-up companies?

**Bruce Crawford:** I get the point—the member is saying that we are obsessed with independence. I am obsessed with independence.

**Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP):** Hear, hear.

**Bruce Crawford:** I am obsessed with obtaining the powers that will allow us to tackle inequality and poverty in this country.

**Jenny Marra:** The Scottish people might be obsessed with how the member is going to do that, because he is calling for control of the levers but failing to explain how he will do any of that. *[Interruption.]*

If SNP members will let me, I will return to economic growth, which we would like to debate.

**The Deputy Presiding Officer:** Order and courtesy, please.

**Jenny Marra:** Since the business gateway function went to local authorities, has the question whether that is working to support small businesses been asked? How well is the function marrying with councils' economic development strategies? Is there evidence? What can the Government do to help?

Mr Swinney looks confused. I am suggesting that we should look at the economic strategy for how we support businesses and who should speak to whom. That is the kind of nitty-gritty detail that I expect us to use time in the Parliament to debate. Instead, we have a motion that says

“‘that Scotland has the potential to be a successful independent country’, and recognises that with the powers of independence and greater access to the full range of economic and fiscal levers”—

blah, blah, blah.

I move on to some of the speeches. We can safely say that the whole 14 minutes of the cabinet secretary's speech could be summed up by saying that he thinks that Scotland is doing better than the UK, but I put it to him that it is doing not much better.

Iain Gray talked about the more serious challenges of globalisation, demographic change and pension liabilities, which we should talk about.

He also talked about the self-confidence of Scotland in the UK to share risk and reward.

Gavin Brown wanted to get down to more detail, too. He said that the SNP restructured the enterprise network but, as we said on Wednesday last week, a new strategy has not been mentioned. The SNP is still pursuing a 12-year-old strategy for Scottish Enterprise that we put in place. Gavin Brown also said that the SNP

“has taken its eye off the ball”.

Indeed.

Alison Johnstone wanted to get down to more detail, too. She talked about small businesses, more women in business and a transformative approach to childcare. We agree with that, but we are disappointed that we have had to wait six years for investment in 600 hours of childcare. According to the SNP, childcare is on pause until children are teenagers.

Willie Rennie said that the Scottish Government should look at what it can do right now. I agree with that assertion.

Stewart Stevenson made a good case for Scotland to stay in the United Kingdom. He talked about European Union geographic protection for food. We should stick with our UK membership of the EU rather than gamble by seceding from the UK, risking our EU membership and casting ourselves adrift.

**Stewart Stevenson:** I hope that the member is aware that the only part of the *acquis* that applies here is article 50 of the Treaty on European Union, which does not permit people *en masse* to leave the European Union without due notice. She will see from the example of Greenland how difficult it is to get out. Of course, we would be welcomed with open arms by all 28 member states.

**Jenny Marra:** It is difficult to get out because no country has been foolish enough to secede from the EU since it was set up—*[Interruption.]*

**The Presiding Officer (Tricia Marwick):** Order.

**Jenny Marra:** Labour has some sympathy with the aims of the Green amendment but, given that those aims are predicated on separation from the UK—which we think would be folly, unworkable and financially unsustainable—we cannot support the amendment in Patrick Harvie's name at decision time.

With one year to go, the case for independence still does not add up. John Swinney says that Scots will be richer under independence, that child poverty will be abolished and that we will create jobs, but he cannot—or perhaps will not—tell us how that will happen. People say that they do not have enough information.

**John Swinney:** I made it clear in my speech that, if a different approach to capital investment had been taken, there would have been 19,000 additional jobs in the Scottish economy in each and every one of the past five years. That is one example of how we could have used powers differently to encourage investment in our economy rather than choke it off, which is what the UK Government has inflicted on us for the past few years.

**Jenny Marra:** I thank the cabinet secretary for starting to come up with some answers, but there are many unanswered questions. I hope that the Scottish Government will use its procurement bill, which is to be introduced later this year, to bolster our economy.

Let us hope that the white paper in November is longer than “War and Peace”—it will have to be to answer the questions to which the Scottish people want answers. What levers will the cabinet secretary pull? Will he commit to raising the minimum wage? Will he commit to stamping out zero-hours contracts, as Labour has?

**The Presiding Officer:** Will you begin to come to a close?

**Jenny Marra:** On Tuesday night, the Minister for Youth Employment said that the SNP has yet to say anything on zero-hours contracts. Let us hear it now from the finance secretary. Will he use taxes to guarantee jobs for every long-term unemployed young person?

There is a 12-year-old enterprise strategy, there are no new ideas for attracting international talent, and there are levers that the finance secretary can pull today. Scotland is on pause still and will be on pause for another whole year.

**The Presiding Officer:** I call John Swinney to wind up the debate.

**John Swinney:** No.

**The Presiding Officer:** My script says that Mr Swinney will wind up the debate, but it has been confirmed that the Minister for Energy, Enterprise and Tourism, Fergus Ewing, will do so. You have until 5 o'clock, minister.

16:50

**The Minister for Energy, Enterprise and Tourism (Fergus Ewing):** Thank you, Presiding Officer. I will do my best to be a worthy substitute for my friend and colleague Mr Swinney.

As I have got older, I have become convinced that what those who elected us to Parliament want from us is to hear what we will do, what we are for, what we propose, and what we will do to address all society's problems, and not so much to hear about why the other guy is wrong, how their

promises were broken, and why their statistics do not stack up. My view now is that, by and large, not only are people not interested in those things, but that approach deters them and puts them off politics of whatever hue more than anything else.

**Willie Rennie:** Will the minister give way?

**Fergus Ewing:** No, I will not. I want to make a bit of progress. I will give way to Willie Rennie later.

I want to reply to the debate, which is my role, and to mention some of the positive contributions that have been made.

John Swinney started off by making a fundamental proposition that is absolutely sound: that there has never been a recession in which emerging therefrom has been achieved without a programme of capital investment to put people back to work in the construction sector. John Swinney argued that very clearly, and he has argued it clearly and consistently time and again since the recession began. It ill behoves members to challenge that, because it is a simple matter of fact. Therefore, when Mr Swinney pointed out to Murdo Fraser in an intervention that the UK Chancellor of the Exchequer has surely adopted an approach that, by definition, has not, sadly, been successful, he deserved to be listened to.

Let me repeat the arguments in case they were not understood, because the matter is extremely serious to many thousands of people in Scotland. It is our job to get people back into employment and to restore hope to their lives. The chancellor is borrowing £244,000 million more than he said that he would. That is eight times more than our annual budget, which puts the figure into context, because who really understands what £244,000 million is? It is eight times the cost of all the public services in Scotland. If John Swinney had to borrow—if we were allowed to do that—£244 billion more than he said that he would borrow, Mr Fraser would quite rightly be the first person to criticise him. We are therefore entitled to say that our central suggestion about where the UK has perhaps gone wrong of late at the highest strategic level has a sound evidential basis. I hope that members will take on board that serious point.

I will respond to what other members have said. Alison Johnstone's contribution was extremely positive, very well received and exactly what the people of Scotland want to hear from politicians these days. Perhaps she set out a series of objectives rather than a series of costed policies—setting out those is, of course, the challenge and is a difficult thing—but she painted a vision that many of us instinctively feel was in sync with the people of Scotland. I admit that I say that as perhaps the person in Parliament who is not closest to the Green Party. Mr Harvie will



acknowledge that: he is nodding sagely. It is therefore with regret that we cannot support the Green Party's amendment, because we cannot agree with some of the matters that are referred to in the specific set of proposals in the document in question, although we certainly support the spirit of what Alison Johnstone said. She spoke out in a way that we all recognise is where Scotland wants to go.

Joan McAlpine rightly devoted her speech to one of the most serious issues—one on which everybody in this country realises we must do better, no matter how we are governed. That issue is the appalling inequality between the genders in Scotland and in the UK as a whole.

Kevin Stewart mentioned the offshore Europe conference that took place in Aberdeen a few weeks ago in the aftermath of the tragic loss of life in a helicopter accident. At that event, I was privileged to hear and take part in a debate in which Princess Anne spoke powerfully and persuasively about how we should persuade, attract and inspire more young females to come into engineering jobs, particularly in the oil and gas industry.

A serious set of actions, policies and moves from businesses and Government are now in place to address some of the problems on which Dr McAlpine rightly focused. Again, I put it to members that, whatever their view about independence or the union, Dr McAlpine spoke on principle about something that concerns people, and she was not involved in trading insults, sniping, snidery and that sort of thing.

**Jenny Marra:** Can the minister tell us, as we asked during the debate, where the SNP stands on zero-hours contracts?

**Fergus Ewing:** I do not favour zero-hours contracts. I hope that Jenny Marra will acknowledge that—contrary to what she said—I made it clear in the last debate that she and I had that regional selective assistance will not be granted to companies that espouse the use of zero-hours contracts. That is a policy that we have; what could be clearer? What is the point of Jenny Marra stating that we have not covered the issue, when I addressed it in the very last exchange that we had in this place? I do not know. How does it help either her or me with the public if we spend our time trading insults in that way?

**Margo MacDonald** *rose—*

**Duncan McNeil (Greenock and Inverclyde) (Lab):** Will the minister take an intervention?

**Fergus Ewing:** I am sorry, but Mr McNeil was not here for the debate. I am happy to take an intervention from Mr Rennie, who I think wanted to intervene.

**Willie Rennie:** No, it is fine.

**Fergus Ewing:** Well, Margo MacDonald wanted one.

**Margo MacDonald:** We have talked a great deal about the powers that we have and the powers that we might or might not have, but is not it the case that we need the sheer dynamic that is created by people working and setting up wee businesses? That is why I referred to the old Scottish Development Agency, which I think had greater risk capital at its disposal than Scottish Enterprise has, and which encouraged people to get up and go and try something new.

**Fergus Ewing:** There it is: Margo MacDonald shows us all how to raise our game. She is exactly right. Ultimately, the people of Scotland will help us to succeed and prosper as a nation and to become a more equal, fairer, healthier and wealthier nation.

I will use my remaining time to run through some of the achievements and successes of the people of Scotland, who make us a country that has underlying strength in its economy and potential that could be maximised with the full powers of a normal nation. Take Highlands and Islands Enterprise, which might be the first economic development agency in history that is so successful in attracting jobs—most recently from Daktari Diagnostics and Capgemini, not to mention Global Energy, which Kevin Stewart mentioned—that it is going to have to vacate its office because an inward investor needs it. HIE is moving out of its office to make way for a company that is creating hundreds of jobs in the city that I represent. Is that not the ultimate accolade and sign of success?

What about VisitScotland? On 1 January this year, I was woken at 8 am—if members can believe that—by CNN announcing that Scotland is the top country in the world to visit. Why is that? It is because our people—Mike Cantlay, Malcolm Roughead and all the other staff of VisitScotland—have played a blinder in promoting Scotland throughout the world.

Ernst & Young has recognised the enterprise network as delivering the most successful results in the whole of the UK outside London. We should look at the success of not just the high chiefs, but of all the workers across the enterprise network, whom I meet day and daily.

**The Presiding Officer:** You should bring your speech to a close, minister.

**Fergus Ewing:** Indeed, Presiding Officer.

If only we had the full taxation powers that are absolutely crucial to giving Scotland competitive advantage, we would deliver a wealthier, fairer and more equal society.

## Decision Time

17:00

**The Presiding Officer (Tricia Marwick):** There are four questions to be put as a result of today's business. In relation to this afternoon's debate, I remind members that, if the amendment in the name of Iain Gray is agreed to, the amendment in the name of Gavin Brown will fall.

The first question is, that amendment S4M-07734.1, in the name of Iain Gray, which seeks to amend motion S4M-07734, in the name of John Swinney, on Scotland's economy, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

### For

Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Davidson, Ruth (Glasgow) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West Scotland) (Con)  
 Gray, Iain (East Lothian) (Lab)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Macintosh, Ken (Eastwood) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McInnes, Alison (North East Scotland) (LD)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)

### Against

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)

Brodie, Chic (South Scotland) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Finnie, John (Highlands and Islands) (Ind)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Margo (Lothian) (Ind)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West Scotland) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMillan, Stuart (West Scotland) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 40, Against 62, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that amendment S4M-07734.2, in the name of Gavin Brown, which seeks to amend motion S4M-07734, in the name of John Swinney, on

Scotland's economy, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**For**

Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Davidson, Ruth (Glasgow) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West Scotland) (Con)  
 Gray, Iain (East Lothian) (Lab)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Macintosh, Ken (Eastwood) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McInnes, Alison (North East Scotland) (LD)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)

**Against**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)

Finnie, John (Highlands and Islands) (Ind)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Margo (Lothian) (Ind)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West Scotland) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMillan, Stuart (West Scotland) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 40, Against 62, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that amendment S4M-07734.3, in the name of Patrick Harvie, which seeks to amend motion S4M-07734, in the name of John Swinney, on Scotland's economy, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**For**

Harvie, Patrick (Glasgow) (Green)  
 Johnstone, Alison (Lothian) (Green)  
 MacDonald, Margo (Lothian) (Ind)

**Against**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)

Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Gavin (Lothian) (Con)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Davidson, Ruth (Glasgow) (Con)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Ind)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Goldie, Annabel (West Scotland) (Con)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Gray, Iain (East Lothian) (Lab)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hume, Jim (South Scotland) (LD)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alex (North East Scotland) (Con)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 Macintosh, Ken (Eastwood) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West Scotland) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McDougall, Margaret (West Scotland) (Lab)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McInnes, Alison (North East Scotland) (LD)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McMillan, Stuart (West Scotland) (SNP)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)

Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 3, Against 99, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that motion S4M-07734, in the name of John Swinney, on Scotland's economy, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**For**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Finnie, John (Highlands and Islands) (Ind)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)

Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Margo (Lothian) (Ind)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West Scotland) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (Aberdeen Donside) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMillan, Stuart (West Scotland) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

#### Against

Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Davidson, Ruth (Glasgow) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West Scotland) (Con)  
 Gray, Iain (East Lothian) (Lab)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Macintosh, Ken (Eastwood) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McInnes, Alison (North East Scotland) (LD)  
 McMahan, Michael (Uddingston and Bellshill) (Lab)  
 McMahan, Siobhan (Central Scotland) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)

Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)

**The Presiding Officer:** The result of the division is: For 62, Against 40, Abstentions 0.

#### *Motion agreed to,*

That the Parliament notes that Scotland is a wealthy and productive country and recognises the underlying strength of the Scottish economy and its people; welcomes the positive signs of economic recovery over the last 12 months; agrees with the Fiscal Commission Working Group that “there is no doubt that Scotland has the potential to be a successful independent country”, and recognises that with the powers of independence and greater access to the full range of economic and fiscal levers, Scotland will be able to maximise its full potential to create a more prosperous, sustainable and equal society.

*Meeting closed at 17:04.*



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

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