



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# MEETING OF THE PARLIAMENT

Tuesday 12 August 2014

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## Scottish Parliament

*Tuesday 12 August 2014*

[The Presiding Officer *opened the meeting at 14:00*]

### Time for Reflection

**The Presiding Officer (Tricia Marwick):** Good afternoon. The first item of business is time for reflection. Our time for reflection leader today is Ms Nandi Mandela—businesswoman, speaker at the 2014 Edinburgh international culture summit and granddaughter of Nelson Mandela.

**Ms Nandi Mandela:** Honourable Presiding Officer, honourable members of Parliament, distinguished guests, ladies and gentlemen, it is a great honour and privilege to stand before you today to lead time for reflection.

A few years ago, I was having lunch with my grandfather at our country home in Qunu and was half-listening to the conversation when he said something that struck a chord. He said that young people do not have time for old people and that, because of that, they lose out on things that are important in life. The next thing that he said was that, if we are to build a developing country, such as South Africa, we need to give ourselves time to spend with the elderly and with young people.

I thought to myself, “I was just asking you to tell me about your health, and now you are telling me about your goat that got stuck in a fence. Clearly, that does not add value to my life.” That is what I thought at the time.

What he had to say was that we need to learn to be patient and to listen. Before that statement, even though I am a person who likes to engage with people in different walks of life, including the elderly, I would not sit and listen to someone who is long-winded about anything that they have to tell me.

The moral of the story is that, in today’s world, we have little time to listen and reflect on all the things that we do in life. The most important lesson is that the elderly have contributed to their family life, to the life of the country and to the general world at large. Secondly, when you pause and listen, you show that you care.

This parable helps to bridge the gap between the old and the young, between the most sophisticated and those who live a simple life, between the fast-paced world and the slow, rural environment. It is similar to the parable of the sheep in Matthew, chapter 18, verses 12 and 13. The owner rejoiced after finding one lost sheep, even though the 99 did not wander.

Like the lost sheep, we have somehow lost our way. We have little respect for people who are different from us. We are so attuned to our own way of doing things. It is my way or the highway.

As we go back to our fast-paced world, we need to take a moment to pause and listen and make sure that we do our bit to bridge the gap.

## Topical Question Time

14:03

### Older People Living Independently at Home (Support Services)

**1. Jim Hume (South Scotland) (LD):** To ask the Scottish Government what its response is to the latest reports on waiting times to access support services that allow older people to live independently at home. (S4T-00765)

**The Cabinet Secretary for Health and Wellbeing (Alex Neil):** We are aware that a number of areas are experiencing difficulty in providing suitable care in the community. Recently, we allocated £5 million additional funding for 2014-15 to the health boards that face the most significant pressures around delayed discharges. That funding will enable them to accelerate progress towards sustainable change, to drive down delayed discharge numbers and to enhance rehabilitation services and community care capacity.

**Jim Hume:** I thank the cabinet secretary for his answer and acknowledge that he recognises that there is still work to be done. The Scottish Government states on its website that, in order to achieve its 2020 vision for the national health service, there will be a focus on “supported self-management”. However, we have learned that some people are waiting for up to 36 weeks for rehabilitation services—services that the Scottish Government is aiming to deliver within four weeks by the end of 2016. Patients cannot begin their self-management without such intervention.

**The Presiding Officer (Tricia Marwick):** Can we have a question, Mr Hume?

**Jim Hume:** Of course.

Professor Paul Knight of the British Geriatrics Society stated:

“To make an intervention worthwhile and effective you need to reach the individual as early as you can make it.”

Does the cabinet secretary agree that the Government is failing in its attempts to ensure that elderly but frail people can live more independently?

**Alex Neil:** No. We are putting a record amount of resources into this area. I recognise that there are pressures in parts of the country, particularly in Fife and Glasgow. We are working with the health boards and local authorities to address the issues. We are also working with the Convention of Scottish Local Authorities. With COSLA, we have recently commissioned a follow-up report on the review of residential care to look at care-at-home services because we both reckon that some of the

problems that are associated with residential care are similar to the challenges that are faced in parts of the care-at-home sector.

**The Presiding Officer:** Your next intervention had better be brief, Mr Hume.

**Jim Hume:** It will be.

I acknowledge that that review is under way, but will the cabinet secretary commit to a full review of the provision of rehabilitation services across the country and consider bringing forward his target from 2016 in order to get a grip on the problem?

**Alex Neil:** Part of the review that we have commissioned jointly with COSLA will look at rehabilitation services, because care-at-home services are an important element of rehabilitation.

I absolutely agree with Mr Hume’s concerns about those areas where there are pressures. However, by working with COSLA, local authorities and health boards and by putting in the additional money that we have, we are doing everything that we can to substantially reduce the waiting times where they are far too long.

### Rhoda Grant (Highlands and Islands) (Lab):

The cabinet secretary will be aware that there is a lack of funding to provide support and rehabilitation services due to council budget cuts. That has led to bedblocking in many areas, with the NHS struggling to cope. He will also be aware of issues around the inadequacy of care when it is available, with care visits of 15 minutes or less. Although we welcome the additional funding, it is a drop in the ocean of need. Will he agree that we need a comprehensive, Beveridge-style review of the NHS to make sure that adequate care is available for older people to live independently and securely in our communities?

**Alex Neil:** The Beveridge report was not a review but a plan and we will produce a plan for 2020, building on our 2020 vision. At the core of that vision is treating people as much as possible at home or in the community in a homely setting.

As the member knows, I have held discussions with representatives of other parties, including the Labour Party, in which I offered them the opportunity to come up with their ideas on the 2020 plan. To date, I have heard nothing from the Labour Party.

**Neil Findlay (Lothian) (Lab):** The report, combined with the social care crisis, means that more and more people are stuck in hospital when they should be living independently at home. Why do the figures released today and the standard of care services continue to deteriorate under the cabinet secretary’s stewardship?

**Alex Neil:** As usual, Mr Findlay does not get confused by the facts. The reality is that today’s

average hospital stay is at a record low. By definition, that means that people cannot generally be stuck in hospital.

There is a problem with delayed discharges, but we have significantly reduced that problem since getting into power. In fact, we have among the lowest—not the lowest—level of delayed discharges in Scotland historically. There are still challenges to face in order to get to where we want to be. Indeed, if we are able to get discharges to the level that we want them to be at, which we intend to do over the next two or three years, that will release £100 million-worth of additional resources for investment in other priorities either in the community or in the hospital sector.

Mr Findlay should recognise that the challenges that we face are a result of the massive cuts that have been made to our budget by the Westminster Tory Government that he is in cahoots with to get a no vote.

#### Rural Postbox Collection Times

**2. Rob Gibson (Caithness, Sutherland and Ross) (SNP):** To ask the Scottish Government what it considers the economic impact will be of Royal Mail's decision to bring forward rural postbox collection times. (S4T-00764)

**The Minister for Energy, Enterprise and Tourism (Fergus Ewing):** Postal services are a vital lifeline for many of Scotland's businesses and communities, particularly in some of the nation's more remote rural areas. Many businesses depend on the timely uplift of mail from postboxes. That is why it is worrying to learn of Royal Mail's plans to bring forward collection times for many postboxes.

**Rob Gibson:** I have information to the effect that Royal Mail has been discussing making further cuts in rural services by making postal collections every second day. Can the minister find out whether that is true? If so, it is another example of the undermining of the universal postal service.

**Fergus Ewing:** We would be very concerned if there were further diminutions to the service, especially for people in rural areas, who already enjoy a lower level of service than they used to enjoy, as Mr Gibson rightly highlighted. I will therefore make inquiries, as he requested, by writing to Royal Mail on the point that he raised.

It seems self-evident that we in this Parliament have no power or control over such matters. The Royal Mail is not accountable directly to this body and therefore we are unable to give vent to and support the wishes of the people of Scotland, 72 per cent of whom opposed the privatisation of the Royal Mail. We are powerless to prevent

diminutions to the service, unless or until we have the power and the choice to determine such matters in this place.

**Rob Gibson:** If an independent Scotland is able to gain public ownership of the Royal Mail, will postal services to rural and urban addresses be restored to a level that does not disadvantage communities and businesses?

**Fergus Ewing:** That would be for the first Parliament in an independent Scotland to determine, but I think that any Government in a Scottish Parliament that was elected by the people and accountable to them on such matters would have a stronger desire to ensure that a fairer service was provided to all our customers by a Scottish Royal Mail.

#### Ebola Virus

**3. John Scott (Ayr) (Con):** To ask the Scottish Government what precautions it is taking to reduce the threat of the Ebola virus. (S4T-00763)

**The Minister for Public Health (Michael Matheson):** Since the start of the outbreak in western Africa we have been working closely with Health Protection Scotland to minimise the risk of Ebola to Scotland. Health Protection Scotland routinely monitors global disease outbreaks, and the risk from Ebola is currently assessed as very low. No cases have been reported in Scotland or elsewhere in the United Kingdom.

Scotland has well-developed procedures in place to respond to this type of situation. The national health service in Scotland safely managed a case of viral haemorrhagic fever in a patient in Glasgow in 2012, and our recent experience during the Commonwealth games strengthened the procedures. As a result, we are better placed than many other parts of the UK to respond to suspected cases of Ebola virus.

However, given the situation in western Africa, a number of additional steps are being taken. We are liaising with other Governments across the UK to ensure a co-ordinated response, particularly in managing suspected cases. Updated guidance has been provided to United Kingdom Border Agency staff, who might encounter travellers returning from western Africa, and Health Protection Scotland is producing a poster, which will be displayed in airports and ports and will advise travellers about precautions against Ebola should they be travelling to an affected area.

Professional guidance has been updated and revised, and general practitioners and other healthcare workers throughout Scotland have been notified that they must be extra vigilant when dealing with patients who have recently travelled to affected areas. In the past fortnight, we have asked all NHS boards in Scotland to confirm that

they have arrangements in place to deal with suspected cases of Ebola. All boards provided assurances that they are prepared.

A short-life working group has been established, which will bring together relevant Scottish agencies, including the Scottish Government, to consider whether more needs to be done. I will meet Health Protection Scotland next week to discuss the matter further. I am confident that the risk to the people of Scotland remains very low and that the NHS stands ready to respond to suspected cases of Ebola.

**John Scott:** I thank the minister for his comprehensive answer. Has the issue been discussed in the Cabinet? I suspect that I know the answer to that question. What discussion has taken place between the World Health Organization and the Scottish Government about the risks? What is the Government's view on the use of the experimental drug ZMapp, should treatment for Ebola be required in Scotland? Has the Scottish intercollegiate guidelines network made any evaluation of ZMapp, in case the drug is required?

**Michael Matheson:** I can confirm that the issue of Ebola was discussed at today's Cabinet meeting, and the Scottish Government continues through Health Protection Scotland to liaise with other international parties, including the WHO, on the required state of preparedness. Of course, the WHO has declared this a public health emergency of international concern, and we are responding to it on that basis.

As for the member's question about the experimental vaccine, although there are no vaccines for Ebola at this point, the WHO is considering the use of the experimental drug that Mr Scott mentioned for patients who have contracted the disease. We will continue to liaise with the WHO and operate on its advice on this matter. However, because of the drug's experimental nature, a number of very detailed and complex ethical issues have to be considered and, once the WHO has come to a decision on the matter, we will consider what further steps need to be taken in Scotland.

**John Scott:** Where would people be treated if a case or cases of Ebola were found in Scotland, and if that happened, would any special measures be taken to protect medical and hospital staff?

**Michael Matheson:** We already have specialist protocols for dealing with significant contagious diseases. As I said in my opening response, NHS Greater Glasgow and Clyde dealt with a case of Crimean-Congo viral haemorrhagic fever in 2012, and in that case the protocol for dealing with such illnesses was utilised. That patient was dealt with at the Brownlee centre for infectious and

communicable diseases, which is a specialist unit for contagious diseases.

We have protocols in place for dealing with patients who could have a disease such as Ebola; we have the facilities to treat any patients who might require treatment; and we also have arrangements for ensuring that medical staff who might be treating patients with such a condition are properly protected. As I have said, we have checked the situation with our health boards, and they have all confirmed that they have sufficient personal protection equipment to deal with patients who are suspected of having Ebola.

**The Presiding Officer:** That ends topical questions.



## Economic Opportunities of Independence

**The Presiding Officer (Tricia Marwick):** The next item of business is a debate on motion S4M-10769, in the name of John Swinney, on the economic opportunities of independence. Members who wish to speak in the debate should press their request-to-speak button now.

I call John Swinney to speak to and move the motion. Mr Swinney, you have 14 minutes.

14:18

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** Scotland is a wealthy country, and it can be a successful independent country. As that point has been well established in the referendum debate, this afternoon's debate is about not whether we can be independent but whether we should be, and the opportunities that independence will bring us to improve Scotland's economy and ensure that everyone can benefit from our wealth, our resources and our ingenuity as a country. The Government believes that the powers of independence and the ability to make decisions for ourselves will give Scotland a means of growing our own economy by focusing on what matters to us: getting more people into work; improving living standards; and creating new opportunities for our young people to build their careers here.

The year 2014 will represent a year of progress for the Scottish economy. Just last month, official statistics indicated that the Scottish economy grew by 1 per cent during the first quarter of the year, which is faster than the United Kingdom's growth of 0.8 per cent and which has led to the fastest annual growth in more than three years. Scotland's economy has now officially moved beyond pre-recession output levels, three months ahead of the UK. Moreover, as was outlined last week in the Scottish Government chief economist's state of the economy report, our economy has shifted from recovery to expansion mode, and this is set to be Scotland's best year since the UK recession began. Indeed, according to yesterday's Bank of Scotland purchasing managers index report, private sector output in Scotland expanded in July for the 22nd consecutive month, with the fastest rate of growth in six months.

Such trends have also led to an improvement in the labour market, with employment up by 76,000 over the year to around 2.6 million, and employment and economic activity now at appropriate levels of performance.

Those facts demonstrate the healthy outlook for the Scottish economy, but they also fundamentally undermine the claims that the Chancellor of the Exchequer made in November 2011 that referendum

"uncertainty is damaging investment in Scotland".

In reality, the most recent Ernst & Young attractiveness survey of international investment reported that, during 2013, the number of international investment projects in Scotland rose by 8 per cent—the highest since 1997.

We would therefore begin life as an independent country from a strong base. Excluding North Sea oil and gas, output per head in Scotland is the third highest of any nation or region in the United Kingdom, behind only London and the south-east.

**Willie Rennie (Mid Scotland and Fife) (LD):** I am pleased that the finance secretary recognises the progress that the whole of the United Kingdom economy is making, but I want to take him back to his interview with Gary Robertson on the BBC last week. Has he had time since then to reflect on whether, rather than ruling all the options in and ruling all the options out, he has a stated plan B for the currency? Will he tell us that this afternoon?

**John Swinney:** I simply say to Mr Rennie that the Government has gone through a process of exploring in great detail with the fiscal commission the various options that would be available to an independent country. The fiscal commission assessed a number of options. It said that there were a number of perfectly viable options and recommended the option that it considered to be the most appropriate for Scotland. Mr Rennie should not be at all surprised that the Scottish Government chooses what we consider to be best for the people of Scotland to meet their needs and aspirations. That is exactly what we have set out.

**Willie Rennie rose—**

**John Swinney:** I may give way to Mr Rennie again in due course. I will make further comments about the currency.

**Gavin Brown (Lothian) (Con):** On the fiscal commission working group, the Government has said that, if we do not get a currency union, we will walk away from the entirety of the debt. Do all the members of the fiscal commission working group, including the Nobel laureates, support that argument?

**John Swinney:** Mr Brown should just look at what the fiscal commission has said. It has said what it has said. The Scottish Government has said that, if the United Kingdom Government is going to advance an argument that is about seizing the United Kingdom's assets and not distributing them fairly between the rest of the

United Kingdom and Scotland, why on earth should an independent Scotland take on its appropriate share of the debt, which we are perfectly prepared to take on? If the United Kingdom Government is prepared to act in such a reckless fashion, that is the consequence.

We have contributed more in tax revenues per head of population than the rest of the UK has in every one of the past 33 years. We have oil and gas reserves that will last for decades and renewable energy reserves that will last for ever. We have key strengths in diverse sectors, from food and drink to life sciences and advanced manufacturing, and we have more universities in the world's top 200 per head than any other country on the planet and the most highly educated workforce in Europe. Those are strong foundations from which an independent Scotland can emerge.

We will begin life as an independent nation in the full knowledge of the benefits that taking decisions for ourselves can bring. Central to the Scottish Government's argument about why we should be independent is the record of the Scottish Parliament. Over the past 15 years, the Scottish Parliament has worked hard to create a fairer society and a more competitive economy. We have established the most business-friendly local taxation system in the UK, with our small business bonus scheme reducing or removing business rates for more than 92,000 business premises, and we have supported Scottish Enterprise and Highlands and Islands Enterprise at a time when the UK Government has scrapped its regional development agencies.

We have undertaken a range of initiatives to protect capital expenditure, despite cuts of 26 per cent by Westminster. We have invested to improve the fabric of the Scottish economy and the labour market, ensuring that our employment rate moved from being 2.6 percentage points below the UK rate in 1999 to 0.2 percentage points higher, as shown in the most recent figures that are available.

The ability to take certain economic decisions here in Scotland has been a strength for the country. The Scottish Government has ambitions to do more by taking a wider range of economic decisions, which will be achieved only as a consequence of independence.

All of us know that, despite Scotland's great wealth and its huge potential, too many people in our society do not feel the benefits of that wealth. We know that other countries have been more successful in utilising all their resources and harnessing the benefit of those resources for the future. We know, too, that countries with the full powers of independent nations perform better, not

just economically but in measures of social wellbeing into the bargain.

In 2011, the Organisation for Economic Co-operation and Development reported that income inequality had increased by more in the UK than in any other country in the OECD since 1975. The UK now has the highest levels of regional inequalities in the European Union. Although we have made improvements to our productivity rates relative to the UK, productivity here is still 22 per cent lower than it is in Denmark, 20 per cent lower than it is in Germany and 13 per cent lower than it is in Sweden. Our ability to use the powers of independence to create a stronger economic platform for the people of Scotland is demonstrated by the performance of other small independent countries, which shows exactly how we could strengthen the economic base of Scotland and have higher ambitions as a consequence.

**Jenny Marra (North East Scotland) (Lab):** If all that is true, why is it that, since January, Scotland's unemployment figures have got worse, whereas the figures for England and Wales have improved?

**John Swinney:** In the past, I have cautioned Jenny Marra about her use of comparisons. If she looks at the annual comparisons on unemployment, which take account of issues right across the year and show the relative contribution of one year versus another, she will see that unemployment in Scotland is lower than it was 12 months ago and that employment is at a record high. How on earth can she not welcome the fact that employment in Scotland is at a record high as a consequence of the interventions of the Scottish Government and the measures that it has taken?

Independence would allow future Scottish Governments to combine powers over business investment, employment creation, taxation and welfare to secure stronger levels of economic growth, from which all the people of Scotland could benefit. It would ensure that economic policy was designed for the needs and opportunities of the Scottish economy, would provide greater flexibility in decision making and would offer an opportunity to rebalance our economy.

Our economic case for independence has at its heart a plan to improve business conditions and to reindustrialise Scotland through initiatives such as using our new tax powers to support high-value manufacturing and key sectors that are vital to the Scottish economy; boosting innovation through the establishment of an innovation agency; encouraging and motivating greater private sector investment in research and development; integrating skills and employability by bringing together job matching, employability training and career guidance; improving access to finance

through a Scottish business development bank; and expanding our international presence and reach by using a network of overseas embassies that will be dedicated to boosting Scottish exports. Those are just some of the measures that the Government of an independent Scotland could take to strengthen our economic foundations.

**Gavin Brown:** Does the cabinet secretary support the creation of an innovation agency regardless of the result of the referendum?

**John Swinney:** I would want an innovation agency to be able to make a discernible impact on the performance of the economy by working with the Government to use the tax powers that would be available to the Government of an independent Scotland to encourage and incentivise the development of innovation policy and innovation delivery in Scotland.

I am surprised that Mr Brown is not au fait with the fact that we have already taken forward a range of innovation centre proposals that are supported through the Scottish Further and Higher Education Funding Council, Scottish Enterprise and Highlands and Islands Enterprise. Good work is already being done within our existing powers, but we are still operating at a level at which the Scottish economy gets only a quarter of the level of private sector R and D investment that the economies of comparable countries get. Therefore, we need to have the tax powers of independence to ensure that we can strengthen the operation of the Scottish economy and to encourage and motivate such investment.

**Neil Findlay (Lothian) (Lab):** The cabinet secretary mentioned taxation. Can he tell us what the corporation tax rates are in Scandinavia and Germany? Can he point to anywhere where lowering corporation tax has created full employment, as he claims that he can?

**John Swinney:** Perhaps Gordon Brown should have reflected on that point when he reduced corporation tax in the UK. Of course, Neil Findlay and Gordon Brown are notionally joined at the hip in the no campaign.

We could also seek the removal of barriers to competition such as the current air passenger duty scheme. However, although the UK parties recommended the scheme for change, they have failed to deliver that.

It is, of course, a scandal that despite Scotland's being one of the richest countries in the world, an estimated 30,000 additional children in Scotland have been pushed into poverty in the past year—in part due to the UK Government's welfare changes—with a further 100,000 facing that prospect if we are not empowered to change course.

Those are some of the opportunities that we have to change Scotland's economic direction as a consequence of winning the powers of independence.

We will do all that using our currency, the pound. Today, that is what the vast majority of people in Scotland want us to do. Today's finding from the social attitudes survey shows that 68 per cent of people want an independent Scotland to use the pound in a currency union. Far more people believe that there will be a currency union, despite the bluster of the no campaign, which we hear all about in the chamber on a daily and weekly basis. *[Interruption.]*

**The Deputy Presiding Officer (John Scott):** Order.

**John Swinney:** Only independence provides us with access to the levers of responsibility that will enable us to put Scotland's economy on the right footing to tackle the long-term challenges of inequality and the need to secure greater prosperity for the people of Scotland. One of the best examples of that is the steps that the Government can take on childcare. Under devolution, we are investing a great deal in childcare, but only independence allows us to redirect to childcare in Scotland the resources that are currently invested in the Trident nuclear missile system and, crucially, to reap the rewards of that through investing what the tax system generates in the public finances of an independent Scotland. *[Interruption.]*

**The Deputy Presiding Officer:** Order.

**John Swinney:** Those are some of the choices that are available to us if we are prepared to take the step of supporting independence in the referendum in September.

We have heard a great deal from the other parties about promises of further economic powers if there is a no vote in September. It will not be lost on any of us that even some of the proposals that have been set out by the UK parties were already set out by the Calman commission but have not been delivered to the people of Scotland. Why should we have any confidence that any of those powers will come to us in due course?

The people of Scotland have the opportunity in September to take responsibility into their own hands to build on this Parliament's record of taking decisions about the future of the people of Scotland that are based on their needs and aspirations. Independence gives us the chance to link all the remaining powers that are currently being misused by Westminster and use them properly for the benefit of the people of Scotland to create the prosperous and just society that all of us want to live in.

I move,

That the Parliament agrees that Scotland can be a successful independent country and that, while Scotland is among the wealthiest nations in the world, levels of inequality are too high; recognises the improvements in Scotland's economic performance that have resulted from transferring limited powers to the Scottish Parliament, and believes that this demonstrates that decisions about Scotland's economy are best made in Scotland by the people of Scotland and that independence presents new opportunities to build a more secure economy because for the first time ever Scotland will have the job-creating powers and an economic policy that will put Scotland first.

14:32

**Iain Gray (East Lothian) (Lab):** This must be the cabinet secretary's third or fourth attempt since the white paper at an economic plan for independence, so we cannot accuse him of not trying. However, with today's effort, he really has nothing new to say—he is simply rehashing his previous failed attempts. It is rather like one of those disappointing greatest hits albums that, when we get them home, turn out to be full of old songs that were flops the first time round.

I suppose that we should be glad that today's plan is at least held together by staples rather than a paperclip, but there are few other improvements. It largely covers policy areas where the Scottish Government already has power, such as education and training, childcare, infrastructure investment and the promotion of renewables and innovation.

The plan makes assertions about economic benefits that are evidenced by nothing except references back to the Scottish Government's own previous documents, which make the same assertions. It includes now you see them, now you don't policies, such as the development bank, which has been launched and relaunched on a number of occasions. It repeats figures about, for example, the economic impact of childcare—figures that do not add up and which the Government has already had to admit were simply made up without any modelling. Today, we found out that the Scottish Government also had to admit that its figures on productivity, employment rates and migration have also been made up without any economic modelling.

The plan talks about powers to incentivise growth and job creation. The cabinet secretary spoke about that at length again today, but yet again the only actual policy that the plan outlines is a 3 per cent cut in corporation tax, which it claims could create 27,000 jobs. That claim does have some modelling behind it, which was published three years ago, and I asked the Scottish Parliament information centre to have a look at it. SPICe tells us that not only are the calculations based on 2006, when the corporation

tax rate was 30 per cent, but—by accident or design—the Scottish Government used the headline rate change of 3 per cent in its jobs calculation when it should in fact have used the effective rate change of 1.2 per cent, by its own calculation. To quote SPICe:

“If the effective rate change was used instead of the change in headline rate, then the number of additional foreign direct investment jobs would be 60 per cent fewer than in the Scottish Government's analysis.”

Most of the claims in the plan have no credible figures behind them at all, and where they do have figures behind them, the Scottish Government has got its sums wrong again. We should compare those hollow promises with the 800 jobs that were secured this morning by another Ministry of Defence order for the Clyde—real jobs building real ships in the real world.

If Mr Swinney's assertions about the benefits of independence had any credibility, surely those in the businesses that he says would benefit from the increase in economic opportunity would be convinced of his case, but they are not. Big financial companies remain unconvinced—companies such as Standard Life, which employs 5,000 people in this city, managing £254 billion of assets for a customer base 90 per cent of which is situated in the rest of the UK. It told us just last week that, after five months, it has had no answers to its concerns about independence and its preparations to move business and personnel out of Scotland continue.

Large manufacturing companies remain unconvinced, too. For example, the chief executive of the Weir Group, Keith Cochrane, recently said that material issues for the company had not been addressed and that independence would damage investment in Scotland, not help it. Companies in the energy industry, which is so beloved of the Scottish Government, remain unconvinced too—companies such as Infinis, which last week put its current wind power developments in Scotland on hold until after the referendum.

Small and medium-sized companies remain unconvinced—companies such as Endura, which I met a couple of weeks ago. It designs, makes and sells across the world top-of-the-range cycle wear from Livingston. It marries innovation, technology, R and D, design and fashion to compete in a global market. It employs women and graduates and it clothes the top touring cycle team in the world. That company does everything right, and it is adamant that a yes vote would require it to start moving operations and jobs to Europe on September 19.

That is how unconvinced Scotland is of the premise that independence will create economic opportunity, and the past week can only have

increased concerns. Nothing is more fundamental to economic opportunity than a stable economic base, and nothing is more fundamental to that than a stable currency. No matter how glittering an image of the opportunities of independence the cabinet secretary asks us to dream of, as long as he has no answers on currency, his whole proposition has feet of clay.

**Chic Brodie (South Scotland) (SNP):** Would the member care to comment on the announcement by Alistair Darling last year on “Newsnight”, when he said:

“A sterling zone is in the interests of Scotland and the rest of the UK ... If you have independence ... of course a currency union is ... desirable”

and

“logical.”

**Iain Gray:** Of course a currency union is desirable. I desire a currency union as well. That is why I will vote no next month, and that is why Alistair Darling will vote no next month.

The First Minister, writing in the Sunday press this weekend, said:

“The language of politics can be ... instructive and deeply revealing as to the motives and priorities of individuals, parties and campaigns.”

How true. So what of his language on currency?

“It is our pound and we’re keeping it, come what may.”

“No currency union, no debt.”

That is indeed deeply revealing, because it is not the language of someone whose motive is to liberate the Scottish economy. It is the language of someone threatening to take the Scottish economy hostage and blow it up if he does not get his own way. What it promises is a Scotland without its own currency, without a central bank, with no say whatsoever on monetary policy, and without any credibility with lenders. That is a recipe for impoverishment, not a plan for jobs.

The National Institute of Economic and Social Research summed up the situation coolly last week. On sterlingisation, it stated:

“This is likely to have important consequences for Scotland’s financial sector, and therefore its capacity to export financial services, its new balance of payments and general economic prosperity.”

In other words, 200,000 jobs in the financial services sector and 15 per cent of our exports would be in jeopardy, just for starters.

As long ago as December, the economist David Owen of Jefferies LLC told us that walking away from debt would raise the cost of borrowing by 5 per cent. Investment would be hit, public finances would suffer and mortgages would go up.

What is more, membership of the European Union requires a currency and a central bank, so a sterlingised Scotland would not be able to stay in the European Union—[*Interruption.*] Scottish National Party members may scoff, but if they can explain to me why the European Union would break with its whole history and allow in a country without a central bank or its own currency, I would be very interested to hear them.

Even the Scottish Government’s own fiscal commission dismissed the option of sterlingisation out of hand, and yet that is now the Scottish Government’s desperate fallback currency plan. Perhaps Mr Swinney should direct his boss the First Minister, rather than the rest of us, to read what the fiscal commission has said. If the First Minister had read it, he would not describe the option as “quite attractive”.

The most irresponsible thing about the currency car crash is that the potential victims are not the banks and businesses of Scotland but ordinary Scots. They will not be able to make the higher mortgage payments, move their money out of Scotland to somewhere else or up sticks and follow jobs if companies relocate them.

I believe—I say it again—that Scotland’s best economic prospects lie in the currency union with the rest of the United Kingdom and with the Bank of England as lender of last resort, just as I believe that our best platform for economic success and full employment is a single energy market; a UK-wide financial services industry; a home market of 63 million people with open unfettered borders across our countries; continuing membership of the European Union but not the euro; MOD contracts such as the one for aircraft carriers and the one that we heard about this morning; and access to UK-wide research funding for all our universities.

Those are things that we have; only independence places them in jeopardy. That is why I lodged the amendment and why we should vote positively, proudly and resoundingly no on September 18.

I move amendment S4M-10769.1, to leave out from “can be” to end and insert:

“benefits from being part of the UK currency union, which is one of the oldest, strongest and most successful in history; considers that keeping the pound and the current arrangement within the UK economic and political union is in the best interests of Scotland and that the only way to keep the pound on present terms is to vote to stay in the UK; believes that Scotland benefits from being part of the deeply integrated UK economy, which is the third largest economy in Europe and the sixth largest in the world; considers that being part of the large and diverse UK economy provides strength and stability to Scotland’s finances; believes that, as part of the UK economic union, Scotland is afforded protection from unexpected economic and financial shocks; considers that Scottish businesses

have unfettered access to a domestic market 10 times the size of Scotland's population and that it is imperative that this remains the case; believes that Scotland benefits from being part of an integrated economic union and that the pooling of tax income ensures that public spending in one part of the UK is not exclusively dependent on the taxes raised in that area, meaning that, if one part of the UK is disproportionately impacted on by an economic downturn or slow growth, public services in that area are not forced to assume all of its impact, and considers that the best future for Scotland is for a Scottish Parliament with more powers and enhanced accountability within a strengthened union".

14:43

**Gavin Brown (Lothian) (Con):** I begin on the issue of currency, specifically with regard to my intervention on the cabinet secretary during his opening remarks. The official Scottish Government position, as set out by Mr Swinney yet again last week, is that if we do not get a currency union we will simply walk away from the entirety of the debt. It is one thing for a politician to be a bit reckless and say something like that, but it is quite another for economists to say it. The question that I put to Mr Swinney in my intervention was very specific: do all members of the fiscal commission working group, including its two Nobel laureates, support that particular argument?

We know that the fiscal commission working group has recommended a currency union, but that was not the question that I asked. Does the working group support the Scottish Government's assertion that Scotland could simply walk away from the entirety of the debt were there not to be a currency union? I have read the fiscal commission working group's reports and published statements, and the minutes of its meetings, and I have not been able to trace anywhere a specific comment from the group saying that all its members think that that assertion is a logical, intelligent or even correct thing to say or do.

I understand—at least it was reported in the press at the weekend—that the chair of the fiscal commission working group will give a keynote speech on Monday of next week. I ask the cabinet secretary again whether, in that keynote speech, or even before it, the Scottish Government will publicly make a firm statement that every member of its working group supports its argument. If they do not support it, the Government is standing pretty much by itself. Economists have pointed out that the Government's position is not logical. Even economists who support independence cannot support that particular assertion and claim by the Scottish Government. If the Government cannot make that firm statement, its position on currency is even weaker than it has appeared to be over the past couple of weeks.

I move on to the substantive part of the Government motion and the economic growth that the Government says that it will be able to achieve

were we to separate. There is a gaping hole in the Scottish Government's position, which is that it has been unable to say at all which big-ticket industries are not coming to Scotland now because of the constitutional set-up but will suddenly all come to Scotland if we are independent. What big-ticket industries are being held back by our being part of the United Kingdom and are desperate for Scotland to become independent? What actual hard policies—not soundbites or claims—will be brought in that we could not already introduce and which will make a stratospheric difference?

**John Swinney:** Mr Brown is probing to find out what industries are not coming to Scotland. His colleague the chancellor told us that various industries would not come because we were having a referendum debate, but he was proved comprehensively to be speaking nonsense as a consequence of the performance of our economy. Therefore, why does Mr Brown not accept that the "Outlook for Scotland's Public Finances and the Opportunities of Independence" as well as the economic levers paper and the white paper, which were published in November, contain all the details and material that he is looking for?

**Gavin Brown:** Unfortunately, I have read the white paper, the reindustrialisation of Scotland paper and the 10 greatest hits paper that came out this morning. I have read every piece of paper that the Scottish Government has produced and the answers are not there.

**John Swinney:** It is all there.

**Gavin Brown:** The answers are not there. Let me give a simple illustration. [*Interruption.*]

**The Deputy Presiding Officer:** Order, Mr Swinney.

**Gavin Brown:** If the cabinet secretary wishes to make an intervention, I am happy to take one.

**John Swinney:** Mr Brown has reeled off all the documents that he has read, so why does he not just report to Parliament on their contents so that Parliament can hear about that rather than simply repeat a speech that supports his narrative in the debate? Let us deal with the material that the Government has published in all those documents to support the arguments that we have set out.

**Gavin Brown:** It is a bit rich to accuse me of repeating a speech—mine is not a repetition and at least I write my own speeches.

The cabinet secretary asked for the detail, so I will focus on that. The Government says that it will have a Scottish business development bank. The cabinet secretary announced that a year and a half ago, when we were told, "We're going to do this come what may." It was reannounced in the budget in September last year and then quietly

dropped in March this year, only to resurface a couple of months later as a big idea on what we are going to do. The Government has no credibility on that particular issue.

We have heard about corporation tax, on which no modelling has been done since 2011. The Government has completely ignored the actual corporation tax of the United Kingdom.

**John Swinney:** Oh, come on.

**Gavin Brown:** If that has been done since 2011, I am sure that the cabinet secretary can tell us. The Government says that it will take 20 years for its headline figures to work and it assumes zero response from the rest of the United Kingdom to Scotland reducing its corporation tax.

The Government's credibility is withering by the day. It has no answer on currency. All of its financial projections rely on high oil income, every single year of independence. The Government tells us that the high years are actually conservative estimates. It has no real plan for economic growth; it has a group of soundbites that are not convincing the Parliament and which I do not believe will convince the people of Scotland.

I move amendment S4M-10769.1.1, to insert at end:

“; notes that, in May 2014, the Scottish Government published *Outlook for Scotland's Public Finances*, in which it claimed that an independent Scotland could be £5 billion a year better off as a result of increases in productivity, employment rate and population, and calls on the Scottish Government to release the details of the modelling and workings on which this claim was based, particularly the detail of policies that would lead to increases in productivity, employment rate and population”.

14:49

**Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** I welcome the debate. Over the recent recess, I have been out knocking doors—as I suspect we all have—and speaking to many people across the area that I represent. I have been keen to make the point that all accept that Scotland could be an independent country. As the cabinet secretary said, that is now universally accepted. Surely no member who is present would suggest that Scotland could not be an independent country.

We know that the Prime Minister has said that it would be wrong to suggest that Scotland could not be a successful independent country and that Ruth Davidson, the leader of the Scottish Tories, has said the same thing. Alistair Darling has also said the same thing, although he seemed somewhat unwilling to get to that place in a recent debate. Michael Moore has said the same thing. Indeed, the permanent secretary to the Treasury, Nick Macpherson has said:

“If there is a yes vote, Scotland will still be a prosperous economy”.

Of course, they have said that because it reflects what others are saying. The *Financial Times* has said that Scotland is richer than the rest of the UK and in the top 20 countries globally in terms of gross domestic product per head. Standard & Poor's has said that, even excluding North Sea output, Scotland would qualify for its highest economic assessment. The head of the Institute for Fiscal Studies, which is often cited in debates in the Parliament, has said:

“The statement that this is a rich and successful economy is one that I entirely agree with.”—[*Official Report, Economy, Energy and Tourism Committee*, 5 March 2014; c 4072.]

There is other evidence out there.

**Willie Rennie:** When Jamie Hepburn is knocking on doors in his constituency, do constituents ask him what his plan B on the currency is and is he able to answer the question?

**Jamie Hepburn:** It might surprise Mr Rennie to find that currency is not an issue that comes up that often when I knock the doors. [*Interruption.*] I see that Mr Brown is laughing. I suspect that I have knocked rather more doors than he has over the past few weeks.

The question is not so much whether we could be an independent country but whether we should. I will explore some of the points that come up on some of the doors, because I will go on to talk about some of the people with whom I engage in the constituency.

A message I have heard much of from the no campaign in recent times is that we are in the best of both worlds with a strong Scottish Parliament and the strength and security of the UK, so let us examine the no campaign's best of both worlds, because that can mean something only if it means something to people on the ground.

As part of the UK, we are in a society in which the wealthiest 10 per cent of households own 900 times the wealth of the least wealthy 10 per cent. The UK is one of the most heavily indebted nations in the world. With the exception of Italy, it has had the weakest economic performance of any G7 nation.

The UK also has one of the most regionally unbalanced economies in the world. I do not need to remind Mr Rennie, who has stepped away from his desk, that at the end of last year, his colleague Vince Cable, who is himself a London MP, described London as

“a giant suction machine draining the life out of the rest of the country”,

even though there is no sign that he or his Government will do anything about it.

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

**Jamie Hepburn:** Not at the moment; I have a lot to say today.

I also question the idea of the best of both worlds. How do those who are struggling to find work or those who are in work but do not have enough to get by—those who worry that their hopes and ambitions for their children will not be achieved and those who look to the future with some uncertainty—relate to the idea of the best of both worlds?

How can members argue that we are better together and in the best of both worlds when the chancellor is committed to an additional £25 billion of cuts to public spending if his party is re-elected in 2015? How can Labour members argue that we are better together or in the best of both worlds—

**Neil Findlay:** Will Jamie Hepburn give way?

**Jamie Hepburn:** No, I will not.

How can Labour members argue that we are better together or in the best of both worlds when, like the Tories, their party has said that it is wedded to austerity if it is elected in 2015? Ed Miliband said that Labour will cut spending.

How can we be better together and in the best of both worlds when Oxfam recently set out that the UK's five richest families now own more wealth than the poorest 20 per cent of the population?

How can we be better together and in the best of both worlds when a UK Government that we did not choose is imposing a welfare reform agenda that is resulting in 100,000 more children living in poverty and driving thousands of families in Scotland to food banks?

**Jenny Marra:** Will Jamie Hepburn give way?

**Jamie Hepburn:** No. I have a lot to say today, so I will not give way.

We know that if we remain part of the UK, cuts are ahead. We know about the austerity agenda and the disinvestment that is planned for the national health service down south, which will reduce the amount that we have to spend on devolved areas. The Labour Party in Wales understands that position. Mark Drakeford, the Labour Minister for Health and Social Services, has said:

"That is what the fundamental problem is here: we have a Westminster Government that believes in shrinking the state, which believes in doing less through the public realm, and passes less money down to us in order to be able to do it."—[*Record of Proceedings, National Assembly for Wales*, 17 June 2014.]

**Gavin Brown:** Will the member give way?

**Jamie Hepburn:** No. I am in my last minute.

That truth for the Welsh Assembly Government is true for us here. That is the future that we face if there is a no vote. With less to spend on public services, that will damage our economy.

Independence gives us the chance to move our economy forward, to give more people more opportunities in Scotland so that we can match the performance of other similar-sized independent countries in terms of productivity, population growth and employment. We will generate £5 billion in extra tax revenues within the next 15 years, to say nothing of the fairer and more prosperous society.

The Scottish Government has pledged to do things such as transform childcare with its radical proposals, establish a fair work commission to ensure that work pays and helps to improve working lives, and support Scottish industry with an industrial strategy to strengthen, boost and promote our existing base. Those are some of the opportunities that we will have with independence. Those are some of the opportunities that we will have if Scotland votes yes in just over a month's time.

14:55

**Malcolm Chisholm (Edinburgh Northern and Leith) (Lab):** Jamie Hepburn should get out a bit more if he thinks that people are not talking about the currency.

I suppose that we should be grateful to the Scottish Government for this rehash of the white paper. One of my constituents contacted me this morning because he had got in touch with the Scottish Government and had been told that more copies of the white paper would be available in five weeks. We should be grateful.

The only new thing that we heard today is that Trident is going to pay for childcare. Last week I had a long list of all the things that Trident is going to pay for, and now I can add childcare to that list.

All that we have had today is three kinds of assertion. We have heard the misleading ones, such as how Scotland has raised more in tax revenues. That is true but, of course, we did not hear about the fact that we have more public expenditure. In the last year for which figures were available, we raised £700 more per head in tax in Scotland because of the oil, but we received £1,200 more per head in public expenditure.

Many of the assertions that have been made could be delivered now. They are not problematic; it is just that they are not being delivered.

Other assertions were made about what would happen around increased productivity, for example, but there was absolutely no detail or explanation of how that will happen. The only



specific policy that we got was the folly of once again outdoing the Tories on corporation tax. Since John Swinney will soon be standing up and telling me about Gordon Brown, he should know that Labour is committed to increasing the rate of corporation tax by 1p. In spite of what his fiscal commission tells him about the folly of a tax that is 3p below the UK rate, he is hell-bent on doing it. He should look at what happened in Canada. When it made a big cut in corporation tax, business hoarded the money and there were hikes in executive pay. John Swinney should think again on that.

The reality is that John Swinney's economic objectives and dreams depend on secure currency arrangements and sound public finances. In both those key regards, we are better off now than we would be. We already have a currency union and the benefits of a deeply integrated UK economy without borders. In a new book this week from the David Hume Institute, David Bell reminds us that GDP falls by 5 per cent because of the border effect. We should remember that 70 per cent of our exports go to England and 74 per cent of our imports come from England. In contrast, 14 per cent of UK exports come here and 8 per cent of its imports come from Scotland. That puts into context the issue of transaction costs that we keep hearing about when we are talking about the currency.

**Kenneth Gibson (Cunninghame North) (SNP):** Will the member give way?

**Malcolm Chisholm:** I have no time at all.

I know that the cabinet secretary has a great deal of respect for Gavin McCrone and some of the cabinet secretary's colleagues quote him on the oil fund. I will quote Gavin McCrone—not George Osborne or Ed Balls, or anybody else. Gavin McCrone said at the Finance Committee:

"The problem that I see is that I cannot imagine a Chancellor of the Exchequer for the remainder of the United Kingdom, with no electoral responsibility for Scotland, being prepared to put taxpayers at risk in the rest of the country for the sake of Scottish debt or bank debt in Scotland."—[*Official Report, Finance Committee, 7 May 2014; c 4107.*]

It seems to me to be infantilism on the part of the Scottish Government for it to say, "We have a sovereign mandate" while not recognising that other countries also have a sovereign mandate. Peter Jones made a devastating critique of that attitude in *The Scotsman* this morning.

At the same Finance Committee meeting, John Kay said that one of the reasons a currency union will never happen is that the Scottish Government could never accept the terms. It would be bye-bye to the cut in corporation tax and bye-bye to the £3 billion in extra borrowing that John Swinney wants in 2016.

We know what plan B is: it is sterlingisation. We were told last week in a devastating and important report that the banks would be off to England and there would be much higher rates than the higher interest rates that we would already have—and people have questioned whether that would be acceptable to the EU. Remember that 15 per cent of our exports are financial services. We have heard a lot of rhetoric today about exports, but that is the reality of a key export sector in the event of Scottish independence.

I could have spent my whole speech quoting independent experts on the fiscal situation: the Institute for Fiscal Studies, the Centre for Public Policy for Regions, Citigroup, the Pensions Policy Institute, Brian Ashcroft and Martin Wolf. I do not have time to do that, but I will quickly give two quotes. First, Angus Armstrong and Monique Ebell said:

"An independent Scotland is likely to require a more restrictive fiscal stance than proposed by the coalition government for many years."

Secondly, Rowena Crawford and Gemma Tetlow, also of the National Institute of Economic and Social Research, have said:

"our broad conclusion—that Scotland faces a tougher long-run fiscal challenge than the UK as a whole—is robust to a variety of alternative, sensible assumptions."

The spending commitments that are the basis of the Scottish Government's appeal to the Scottish people are a cruel deception on the Scottish people, because the reality is that under independence in 2016 we would lose hundreds of millions of pounds right away in up-front corporation tax. The childcare money has to be up front as well—obviously we support the objective of the childcare policy—although of course Trident is paying for that, and a hundred other things as well.

Today's paper mentions overseas embassies. We have a body called Scottish Development International, which already does all that for us, but apparently we now need to pay for 90 embassies in order to have exports abroad.

We would have the loss of the pension bonus. Remember that we get £500 million more for pensioners in pension benefits in Scotland than our population share would dictate. The demographics will accentuate that particular problem. Public sector pensions are never mentioned, but there are more public sector workers in Scotland. That is covered by the UK, but it would not be in future.

It seems to me that we will not hear very much more about the economy from the Scottish Government over the next five weeks. It will be all the warm words about how we can do this and how we will not have the Tories any more. The

reality is that what we will have for the next five weeks is project wish and project scare from the yes campaign, because project jobs and project prosperity are holed beneath the water line.

15:02

**Maureen Watt (Aberdeen South and North Kincardine) (SNP):** I am pleased to be given the opportunity to contribute to this timely debate, as I believe that the voters who will vote on 18 September are really interested in knowing about the strengths of the Scottish economy.

For far too long, in order to keep Scots in their place and in order for Westminster to dictate what it thinks is best for Scotland, we have been led to believe that Scotland is too poor and too weak to be the strong, vibrant and growing economy for all our people that it has the potential to be.

While last Tuesday on television Alistair Darling could not bring himself to stand up for Scotland and his constituents and agree that Scotland can be independent, we know that he has said that in the past. For example, when asked in *The Guardian* in 2012, he said "Of course" it could. On 27 May 2011, Ruth Davidson said:

"Scotland is big enough, rich enough and good enough to be an independent country."

The former Secretary of State for Scotland, Michael Moore, said:

"You'll never hear me suggest that Scotland could not go its own way."

Even Alistair Darling's pal, Nick Macpherson, the permanent secretary to the Treasury, said that if there is a yes vote, Scotland

"will still be a prosperous"

country, as stated in the *Sunday Post* in 2014.

**Iain Gray:** This seems to be the recurring theme of many of the speeches from the SNP benches, so perhaps we could deal with it. Does the member accept that all the people whom she quoted said those things, but they all also said that Scotland's prospects were better as part of the United Kingdom?

**Maureen Watt:** I was trying to point out that while they say that Scotland could be a prosperous country, of course it should be a prosperous country.

**Jenny Marra rose—**

**Maureen Watt:** Sit down, Ms Marra—I want to continue.

Members of all the better together parties know that Scotland can be an independent country and currently it more than pays its way within the union and so has the potential to do much more and

release the wealth of our resources to the benefit of all our people. Yet we still hear too many in the unionist camp say that we are too small and not capable of controlling our energy industry in particular and the oil and gas sector. I ask the better together folk, which other country has discovered oil and gas and been poorer than it was before it discovered it? Tell me that, Mr Gray.

**Iain Gray:** Will Maureen Watt give me one quote in which someone who supports the case for the United Kingdom has said that Scotland is too wee, too poor and too stupid, or did she just make that up?

**Maureen Watt:** I have not made it up. Every time that they say we are not capable, that is the implication that they are making.

The way in which successive Westminster Governments have mismanaged the oil and gas industry is plain to see. They have not only continually underestimated and underplayed the size and benefit of the resource, but failed miserably to use the income from it to benefit the people of the UK—never mind Scotland—or to see that it would benefit future generations. The UK and Iraq are the only two countries that have not set up an oil fund for the benefit of future generations.

Scotland has 60 per cent of Europe's oil reserves and about 40 per cent of the national gas reserves, but Sir Ian Wood's UK review of maximising recovery said:

"clear views were expressed that fiscal instability has been a significant factor in basin under-performance."

That is not surprising, since there have been numerous changes to the fiscal regime in the North Sea over the past decade and 14 UK oil ministers in the past 17 years—three of them in the past four years. That is hardly a situation in which energy ministers can get to know the industry and understand its long-term needs. That is why the people in Scotland are best placed to manage this resource: they know about it.

Professor John Paterson of Aberdeen university

"said he believed an independent Scottish government could offer more predictability to the industry rather than less."

Tony Hayward, former chief executive of BP, said:

"Our industry is very good at working with whoever happens to be in power".

Ed Daniels, chairman of Shell UK, said that it was up to the people of Scotland and that Shell UK would work with whoever.

That is why 64 per cent of all North Sea oil and gas workers are likely to vote yes. The recent 20th Aberdeen and Grampian Chambers of Commerce oil and gas survey, of June this year, said that out

of 700 firms surveyed, more believed that independence would be positive, rather than negative.

So, with the value of oil still to be exploited said to have equal value to that already discovered, of course an independent Scotland has a bright future. It is very interesting that the latest edition of the *Investors Chronicle* stated that it believed that

“Westminster has been deliberately downplaying the potential of the UK Continental Shelf ... ahead of September’s referendum on Scottish independence.”

Indeed, the *Investors Chronicle* said that that was undermining investment and the buying of shares in certain oil companies. That is absolutely disgraceful.

It is little wonder that each and every argument that the better together people have put forward is being batted out of the field and that Opposition members are focusing solely on currency—that is the only tool that they have left in the box and they can speak of nothing else. Yet it is absolutely clear that if the UK Government does not accept the common currency, it will no longer be a petrocurrency, and that will be detrimental to the rest of the UK.

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

**Maureen Watt:** It is very clear that Scotland can be an independent country and I look forward to it being so.

15:09

**Willie Rennie (Mid Scotland and Fife) (LD):** I admire Maureen Watt’s passion. She clearly believes that national independence is something that she wants and Scotland deserves, and I admire and respect that. However, she defends Scotland against an allegation that has never been made—something that is a fabrication. We have never said—nobody has ever said—that Scotland is too poor, too wee and too stupid. That allegation has never been made and the fact that Maureen Watt was unable to come up with one person who has said that is clear evidence that she is defending Scotland against something that does not exist. Therefore, I believe that that passion is passion to a fault.

It is passion that is leading nationalists to believe that they should never, ever question the concept of independence, whether it is on corporation tax, on shipbuilding or on the pound. They refuse to accept that there are any weaknesses in their argument. I propose to take members who are in the chamber through some of those arguments, to try to flush some of them out.

**Maureen Watt:** Can Willie Rennie talk about the weaknesses in his argument?

**Jim Eadie (Edinburgh Southern) (SNP):** Just the main ones.

**Willie Rennie:** Jim Eadie said, “Just the main ones.” I will proceed to set out the positive case for the United Kingdom because that is what Maureen Watt is also arguing—that better together should make that case. I will do that this afternoon.

My first point is on the currency, which is one of the most successful parts of the apparatus of the UK. It means that businesses here in Scotland can trade right across the UK, with limited barriers and with no transaction costs. That means that they have a great opportunity to expand their businesses. The UK parties have clearly said that if Scotland goes independent, the currency arrangement will change for three simple reasons.

First, there is the temporary nature of the currency as proposed in the white paper. Within weeks of such a shared arrangement being set up in the Czech Republic and Slovakia it collapsed, so we can see the dangers of a temporary currency.

Secondly, the one-way insurance policy that has been set out means that Scotland expects the rest of the UK to stand as a financial guarantor for an independent Scotland when RUK would have no influence over what an independent Scotland would do. Also, the favour—the insurance policy—could never be returned, because of Scotland’s being one tenth of the size of RUK, which encourages a moral hazard. Therefore the one-way insurance policy will not work.

Thirdly, there is the explicit desire to diverge the economies of the UK by having a separate and growing economy in Scotland, apparently leaving behind RUK, with aggressive policies such as a 3p cut in corporation tax and £3 billion of extra borrowing. That, too, would create extra tension in the currency, which would pose significant difficulties.

Those are solid reasons—good reasons—why we are better off together in the United Kingdom. I know that John Swinney—like his boss—never admits that he is wrong. However, he thinks that he can play a dangerous game of bluff with the UK in trying to make us believe that he is unable and unwilling, and that it is not desirable, to set out a plan B. However, people want to know the answer. Despite what Jamie Hepburn said, that issue comes up every single day when I am out on the doors. Everybody is asking about the currency and they want to know the answer, but the people in the SNP are refusing to answer the question.

My second point is on shipbuilding. Today there was an order placed for three new offshore patrol vessels to be built on the Clyde, which will guarantee 800 jobs at BAE Systems. That is one of the clear benefits of being in the UK. I was at

the aircraft carrier launch at Rosyth to see one of the biggest ships that the Royal Navy has ever built and it probably—

**Chic Brodie:** Will Willie Rennie take an intervention?

**Willie Rennie:** No, I will not, just now.

Those three new offshore patrol vessels could be the last orders that the Clyde ever receives if the people on the SNP benches have their way, because the facts are clear—*[Interruption.]* Those people shout and bawl, but the facts are clear.

**The Deputy Presiding Officer:** Order. Allow Mr Rennie to be heard.

**Willie Rennie:** No complex warships for the UK have ever been built outside the UK. On that point, I will take an intervention from Mr Swinney to see whether he has an answer to that question.

**John Swinney:** Would Mr Rennie like to confirm that he has just issued, on behalf of the UK Government—just as his chief secretary colleague did this morning—a very clear threat to the people of Scotland about the future of shipyards?

**Willie Rennie:** The threat is quite clear. It comes from this SNP Government because it is proposing to create a separate country, and no country that is separate from the UK has ever received an order for a complex warship. It has never happened. Mr Swinney is posing the threat to the Clyde. No one else is. He could withdraw his plans right now, but the reality is that he is more than keen to progress with them.

**Maureen Watt:** Will Willie Rennie give way?

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

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

**Willie Rennie:** My final point is on corporation tax. For months, we have been asking for the detailed analysis that John Swinney has apparently made behind the scenes, but is refusing to publish. What will be the cost to the public exchequer of his plans for corporation tax? He is proposing a cut of 3p more than anything that a Tory Chancellor of the Exchequer in Westminster would do, yet he refuses to set out the cost of that.

Finally, I want to praise Mr Swinney on his opening remarks, in which he praised the progress that the United Kingdom economy has made. We have an extra 130,000 jobs over four years. In fact, that is probably much more than his plans on corporation tax will ever achieve. I therefore thank him for praising a policy that he said will never work, but which has resulted in masses more jobs for Scotland.

15:15

**Kenneth Gibson (Cunninghame North) (SNP):** Today's debate has thrown into contrast the difference between the aspirational case for a yes vote and the doom and gloom of the no campaign. I will give you a wee quote from Michael Portillo. On 27 February, he said that, if there were a referendum on Europe, the UK Government

"would use the same tactics they're using in the Scottish referendum, in other words they would try and scare people rigid about the consequences of leaving the European Union."

I think that we had a wee example of that in what Willie Rennie was attempting to do a moment ago.

On oil, which Maureen Watt talked about, what was it that Lord Healy said on 19 May this year?

"We did underplay the value of oil to the country because of the threat of nationalism".

So, we have had our economy underplayed by unionists for many years. A lot of those arguments were used against a yes vote in the devolution referendum. It is just unfortunate that Labour has now jumped on the unionist bandwagon.

I had no intention of talking about the currency in my speech—I was going to talk about the economic opportunities of independence—but before I move on to the meat of the debate, I want to deal with sterling, because many of the unionists are obsessed with it and think that it is going to be the deal breaker.

On 31 July, Avinash Persaud, emeritus professor of Gresham College, chairman of Intelligence Capital and a former global head of currency research at J P Morgan said:

"Truth is usually the first casualty of political battles ... but 25 years in currency markets tell me that the No campaign's argument that Scotland cannot keep the pound is false."

He went on to say:

"Moreover, assuming Scotland continues to run a healthy external balance of payments, courtesy of 90 per cent of the UK's oil and gas being in Scottish waters and other foreign currency earners like whisky and tourism, sterling liquidity will likely flow from the rest of the UK to Scotland. Scotland will be a net lender to England."

Malcolm Chisholm quoted from the Finance Committee, but what did Professor Andrew Hughes Hallett actually say? He said:

"Given independence ... Scotland gets to add tax powers to the existing monetary set up. She would therefore be unambiguously better off: more policy instruments to serve the same targets—instruments that can now be designed to fit Scotland's specific needs, rather than the UK average."

He added:

"Facing a tight general election in 2015, it is hard to believe that the UK government would in fact choose to

deny a currency union when the consequences would be to make their own constituency worse off, while Scotland was made better off. People don't usually voluntarily choose to shoot themselves in the foot."

**Gavin Brown:** Did anyone give either written or verbal evidence to the Finance Committee to support the Scottish Government's position that, if there were no currency union, it could simply walk away from the entirety of the debt?

**Kenneth Gibson:** That is exactly what Professor David Simpson said. Indeed, Dr Jim Cuthbert said that Scotland should be compensated by the UK for all the money that has been taken out of Scotland over many years.

The Cabinet Secretary for Finance, Employment and Sustainable Growth explored the economic opportunities that would open up to an independent Scotland, but unionist MSPs can say only what we cannot do, or hypothesise about how it would all probably end in disaster. Far better—they say—to let Westminster keep calling the shots and for us not to take responsibility for Scotland's future into our own hands.

I have always been puzzled by the fact that many members in this chamber seem to be so unsure of their ability and that of their colleagues that they do not wish to have vested in this Parliament the powers to make Scotland a fairer and more prosperous society. With independence, the ability to make our own choices and decisions in the national interest would become the norm for Scotland, instead of our remaining shackled to a political union with Westminster where different priorities and policies and vested interests are entrenched.

Independence would improve Scotland's economy by providing greater prosperity for businesses and citizens. I will run through some of those improvements. By moving economic decision making to Scotland, we would have greater control of policy making in crucial areas including taxation, employment, immigration, exports and industrial policy, which would provide more opportunities and improve our finances. We could improve the tax system by making it more efficient and effective, and by making it support key growth sectors. We could also collect a fair amount of taxes to fund stronger public services, thereby increasing our prosperity, as was set out in the Mirrlees review.

There would be opportunities for participation in company structures; improvement of labour relations can improve productivity and economic output. Indeed, productivity can thereby be improved by up to 10 per cent, as Scandinavia has shown. We would have a national convention on employment and labour relations to shape a new policy and to have a fresh start. We would have employee representation on boards to allow

workers to contribute effectively, alongside management.

Independence for Scotland would ensure that we control immigration. The great success of the union in the 50 years since the war was to have net immigration of 2 million Scots. In 1900, Scotland had the same population as the Netherlands. The Netherlands now has a population of 16.1 million. That shows the difference in our economic prospects over those years.

International students contribute £779 million annually. If we allow more people to come and study here, more would want to stay and build our economy.

By diversifying manufacturing and investing more in research, Scotland could build on its industrial base. During the 10 years of Tony Blair, 37 per cent of all manufacturing employment in that industrial base was lost in Scotland—53 per cent was lost in Ayrshire. A Scottish Government would provide greater support for that process than Westminster. Examples of industrial development could include developing the Clyde for renewables activities similar to those that are undertaken at Belfast docks, development of new offshore technologies in the oil sector for international export, and specialisation in Scotland's strengths in chemicals, computing, life sciences and so on.

We need to have full economic powers to develop an ambitious industrial policy and to reverse decades of relative decline under Westminster mismanagement. A yes vote would mean that business would have the full support of a global trading and investment network, there would be greater opportunities to support Scottish small and medium-sized enterprises that want to enter export markets, and there would be a focus on promoting the unique strengths of Scottish business in key sectors.

In addition, an increase in productivity would help to reduce inequality and the low-wage society, which does not provide the optimal environment for growth.

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

**Kenneth Gibson:** We must tackle inequality in the same way that countries such as Norway, Sweden and Denmark have so successfully done.

I had so much more to say, but I was derailed by the sterling argument. Thank you for your patience, Presiding Officer.

**The Deputy Presiding Officer:** You are welcome.

15:22

**Neil Findlay (Lothian) (Lab):** Central to the white paper is a plan to create what the Scottish Government refers to as one of “the most competitive” business environments in Europe. Central to that aim is Mr Swinney’s belief—I see that he is just leaving the chamber—in cutting corporation tax. He believes that it would create full employment, as companies flocked to Scotland’s low-tax economy. He wants to cut corporate taxes to 3 per cent below whatever level the UK sets. If he does that, a few things could happen. First, if Scotland cut tax and that attracted foreign investment—I dispute whether that would happen, but let us imagine that it did—does he not think that England and Wales would follow immediately, thereby wiping out his so-called competitive advantage? We would then be back to square 1 and all that he would have achieved would be a reduction of £350 million in cash for public services.

In those circumstances, what does Mr Swinney propose? According to the white paper, he would cut another 3 per cent below the rest of the UK and then the cycle would start all over again, which would be followed by a subsequent race to the bottom on wages and on terms and conditions, too.

Trickle-down economics has failed across the globe, yet it is an experiment that the Scottish Government would want to repeat in an independent Scotland. I fear that Mr Swinney has been reading too many of Mike Russell’s books. If that approach is such a great wheeze, why are the Germans, the French, the Scandinavians and others not doing it, too? Germany’s corporation tax rate is 30 per cent, and in Norway the rate is 28 per cent. Why are they not taking that action? Even Professor Stiglitz, who is Alex Salmond’s economic adviser, said of this policy:

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

James Daunt, the head of Waterstone’s Booksellers, said:

“It’s a dash to the bottom and it is insanity because personally I think schools and hospitals are rather good things. Somebody has to pay for them.”

**Jim Eadie:** Will Neil Findlay reflect on the fact that the previous Labour Government gave a 10p corporation tax rate to life sciences companies that placed their research, innovation and intellectual property in the United Kingdom? Is that something that the Labour Government should not have done? Does he regret that decision?

**Neil Findlay:** No one is arguing that we should not adjust taxes at certain times in the economic cycle. We are arguing that taxes should be

consistent throughout the UK, in order to avoid tax competition.

**Kenneth Gibson:** Will Neil Findlay take an intervention?

**Neil Findlay:** No, thank you.

Does the cabinet secretary reject the comments of Professor Stiglitz and James Daunt? Does he know something that they do not know? Can he point to anywhere in the world where lowering corporate taxes has created full employment, as he says it will?

Of course, the cabinet secretary is also confident that an independent Scotland will become a member of the European Union. Is he aware that Scotland would, as a new member state, have to adhere to the deficit limit of 3 per cent of GDP, and that the Institute of Financial Services says that our deficit would be 5 per cent?

What about the currency? Let us for a second drift off into an imaginary world in which the cabinet secretary gets his way and we have a currency union. Mr Swinney has accepted that that would mean a loss of sovereignty. Does he also accept that it would hand control of and influence over interest rates, borrowing, regulation and all other areas that affect the currency to what would by then be the central bank of another country—that is, the Bank of England? Does he accept that the chancellor for the rest of the UK would control that? Does he accept that we would have no politicians at Westminster, and that the rest of the UK would sign off our budget and would want a say on our tax rates, benefits rates and more, in return for agreement to use the pound?

**Chic Brodie:** Will Neil Findlay take an intervention?

**Neil Findlay:** No, thank you.

What type of independence would that be? Why would anyone want to sign up to it? Jim Sillars was right when he said that the policy is “stupidity on stilts”. Has the cabinet secretary learned nothing from the eurozone crisis? Does he not know that the attempt at economic union without political union has been disastrous for working people in Greece, Portugal, Spain and other countries?

We have a choice on 18 September. We can keep the pound, avoid the mess that a sterling zone would bring and avoid having our budget, tax rates, benefit rates and financial regulation signed off by the chancellor of another country, or we can have the nonsense on stilts of a currency union. We can keep the Barnett formula and UK-wide redistribution whereby Scotland gets a greater share of public spending or, under independence, we can scrap the formula.

We can have progressive taxation, with a 50p rate for people who earn £150,000, or we can cut taxes and public services while rewarding big business. There was no mention of the 50p tax rate from Mr Hepburn, although it is something that he and other members who regard themselves as the Scottish National Party's left should support. We never hear a word from them on any of that.

We can have a bankers' bonus tax to fund youth employment, or we can let the bankers keep their eye-watering bonuses, as Mr Swinney would do. We can use procurement rules to ensure that contractors pay the living wage and end zero-hours contracts, or we can see the SNP vote down such measures again. We can use existing services, or we can spend hundreds of millions setting up a host of new agencies. Members should remember that it cost £180 million to centralise the police service. Surely the estimate of £200 million to set up a whole new state is pie in the sky.

Those are the choices that we will have on 18 September. I trust the Scottish people to make the right choice and vote no. That will be a no for change.

15:28

**Mike MacKenzie (Highlands and Islands) (SNP):** There is no doubt at all that Scotland will be a successful and prosperous country after independence, and I suggest that each and every member of a unionist party agrees with that, although unionist party members persist in talking down Scotland's economic prospects, as we have heard them do this afternoon. I urge those members to abandon their "too poor and too stupid" arguments, which are not only dishonest, but are offensive to everyone in Scotland, and I ask them instead to consider this question: after independence, will they recognise the sovereignty of the Scottish people, or will they continue to dig their political graves with their tongues?

**Hugh Henry (Renfrewshire South) (Lab):** Will Mike MacKenzie give way?

**Mike MacKenzie:** No, thanks.

Since 2007, the Scottish Government has shown what can be achieved with good economic stewardship. In the economic race, we have competed more favourably than any other part of the UK except London, and we have done so without full economic powers—indeed, we have done so without any fiscal powers and with both arms and a leg tied behind us and hopping on one foot. All the while, Mr Swinney has maintained a balanced budget.

**Willie Rennie:** I am quite puzzled. Has Mike MacKenzie stolen Jamie Hepburn and Maureen Watt's speeches?

**Mike MacKenzie:** Great minds think alike.

The question is whether we can maintain and, indeed, improve on this economic performance after independence. I believe that yes, we can, because having had a taste of good government, the Scottish people will accept nothing less. Yes, we can, because we in Scotland understand our economy's unique challenges and opportunities better than anyone else, and for the first time we will have the full powers that are required to improve the situation. Yes, we can, because the Opposition parties in the chamber will be freed from the need to take orders from London and will have the opportunity genuinely to put their shoulders to the wheel and to abandon bad politics in favour of good economics.

In any case, it is not the often-quoted headline statistics that are the only matter of economic importance; the sharing of that wealth is also crucial. Although an independent Scotland has been ranked 14 by the OECD, this does not feel like a wealthy country to most people. Scotland's enormous wealth is not being shared equally, and that inequality is itself a drag factor on our economy, limiting demand and the success of our businesses. Inequality is a challenge that we will be able to address properly after independence, so I hope that instead of denying that poverty exists, the Opposition parties will join us in our endeavour to make Scotland a fairer as well as a more prosperous country.

There is also the question of what we do with that wealth to improve our quality of life. It is no coincidence that Orkney and Shetland, the only parts of the UK with oil funds, also happen to score very highly in UK quality-of-life surveys. That suggests that public rather than private goods contribute more to quality of life than the Westminster mindset can imagine. Devolution of 100 per cent of the Crown Estate revenues, which will fall to us after independence, will be significant in tackling the regional inequality that many of Scotland's island communities have faced for many generations.

The only economic argument that is left in the unionist arsenal is the sharing of risk, and that somehow bigger is better. However, we have just experienced the worst economic crisis since the great depression, and being big did not save the banks, the UK or the United States. Indeed, many small countries including Norway and Denmark did not experience the crisis at all. As for sharing of risk, we all know how that works: the poor are made to pay for the failures of the rich. Indeed, that is happening right now. That is how that so-

called insurance policy has always worked, but it is not a policy that has ever served Scotland well.

Three chapters of the white paper “Scotland’s Future” are devoted to the economy. The plan is well thought out and credible, and it is informed by the thinking of the Council of Economic Advisers, which is by a long stretch the most formidable array of economic talent in the UK. In contrast, the no campaign has no plan beyond project fear; we have certainly not heard an economic plan from the no people this afternoon. Project fear is a plan that is offensive to many Scots, who are sick of being patronised in that way by unionist politicians.

With good political, economic and financial leadership, the scales are tipped heavily in favour of Scotland’s prosperity and economic success after independence.

15:35

**Hugh Henry (Renfrewshire South) (Lab):**

There are 36 days until the pig-in-a-poke referendum—until Scotland is asked to have a leap in the dark, and Scots are asked to vote on the basis of assertion that is backed up with no evidence, on the basis of bluster from the First Minister, and on the basis that, if we vote yes, everything will be all right on the night.

People want answers, because they are being asked to make a fundamental decision that will affect every man and woman in Scotland, their children and grandchildren, and generations to come. If we get that decision wrong, we cannot go back and say, “We made a mistake—we have changed our mind.” We will be stuck with the consequences for ever. It is therefore right that we are having a debate on the economic and job implications of independence.

We have heard about what will happen in the defence industry. We know that there are worries in the financial services industries and that other companies are seriously considering what they will do if Scotland decides to separate from the United Kingdom.

It is right that we should also look at what will happen to prices and the money that we have to spend. For example, we know that companies that operate on both sides of the border in Ireland, such as Tesco, charge more for the same goods in the Republic of Ireland than they charge for those goods in the north of Ireland.

We also know what the people who know the retail market best have already said. We know that the chief executive of Sainsbury’s has said:

“we and other retailers will take a view of what the cost structure is ... there’s no doubt Scotland is a more costly country in which to run a ... retail business.”

The chief executive of Morrisons has said:

“the burden of the cost structure on business, that would potentially have to be passed through to consumer pricing, because why should the English and Welsh consumer subsidise this increased cost of doing business in Scotland?”

They are not the only ones who say such things; others say much the same.

The third element, of course, is the currency. I understand why Kenny Gibson does not want to talk about the currency and why the SNP wants to get off that debate. That is because it has no answers. However, the currency affects every single thing that we do. It affects how we buy our groceries and our house and how we pay our rent. It affects us when we buy goods and services, wherever that is, and it affects us when we go on holiday, wherever that is. It impacts on every single aspect of our lives, but we do not know for certain what currency we would use with independence. Alex Salmond can give us his opinion and make assertions, but he cannot give us a guarantee about the currency that we would use.

**Kenneth Gibson:** Can Hugh Henry tell me what the no side believes the currency should be if Scotland votes yes?

**Hugh Henry:** I do not believe that Scotland will vote yes, so why should I speculate? However, if Kenny Gibson is correct in his assertion that Scotland will vote yes, perhaps he should listen to some others in the nationalist ranks. Perhaps he should listen to some of his colleagues in the yes campaign, because it is fundamentally split from top to bottom. The Scottish socialists, who were founder members of the yes campaign, tell us that we should have a Scottish currency. The Scottish Green Party and Dennis Canavan, who is the chair of the yes campaign, tell us that we should have a separate currency. However, Alex Salmond is ignoring every single one of them.

It is not just members of those organisations who say that Scotland should have a separate currency. There are members of the Scottish National Party, including in the Cabinet, who say the same.

**The Minister for Environment and Climate Change (Paul Wheelhouse):** Rubbish.

**Hugh Henry:** “Rubbish,” says Paul Whitehouse.

**Members:** Wheelhouse.

**Hugh Henry:** Wheelhouse.

I will not go into what Mike Russell said about abandoning social democracy, decimating the welfare state, dropping taxes, issuing vouchers for education—[*Interruption.*]

**The Deputy Presiding Officer:** Mr Russell.



**Hugh Henry:** I will merely concentrate on what Mike Russell said about a separate currency. Mr Wheelhouse said that my claim was rubbish, but Mike Russell said:

“Control of its own currency is a country’s most potent economic weapon. It allows governments to control the money supply, interest rates and exchange rates, all of which can have a profound and relatively rapid impact on our economic growth and international competitiveness.”

Therefore, it is not rubbish to say that members of the SNP have such beliefs. Mr Russell went on to say:

“There are simply no other methods by which the economy can be fine tuned and geared to meet the ever-changing and accelerating challenges of the information age.”

As he so eloquently put it,

“A country without its own currency is a country not only without a steering wheel, but also without brakes and an accelerator.”

**The Deputy Presiding Officer:** Will you draw to a close, please?

**Hugh Henry:** The nationalists’ camp is split and they are worried that Alex Salmond is leading them to doom, so we can understand why long-standing nationalists such as Jim Sillars are so profoundly unhappy that they have been led up the garden path by a Scottish National Party that cannot deliver.

**Neil Findlay:** On a point of order, Presiding Officer. Can you advise me whether it is in order for the chief spokesperson of the Government to be absent from a debate on the economy that it has brought forward for what is now the fourth speech in succession? Is it in order for no member of the economy team to be here for that time, or is it just the case that a lack of courtesy is being shown to the chamber?

**The Deputy Presiding Officer:** That is not a point of order, but you have put your point on the record.

15:42

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** For too long now, we have seen a major imbalance between the economies of Scotland, Wales, Northern Ireland and the regions of England and the economy of the south-east of England. Indeed, the south-east of England accounts for more than half of the annual economic output of the UK, and eight out of 10 jobs that are created in the UK are in London.

Historically, Scotland has lost thousands of young people to the south every year, and that risk remains even though our jobs market is better in comparison with the jobs market in most other areas of the UK. Currently, that unstable situation

is out of our hands, and it inevitably creates a drag on attempts to improve our economy.

We know that Scotland’s public finances are stronger than those of the UK. Since 1980, on average, we have run a public sector surplus. If we had been in charge of our own economy in that time, there is every chance that, according to the “Scotland Means Business” report that was prepared earlier this year by Biggar Economics, our public finances

“would still be benefitting from a significant cumulative surplus”.

Another factor that we must take into account is the frankly appalling level of inequality in the UK. The UK is ranked 26th out of 29 advanced countries for inequality. That is clearly quite an alarming figure, but one that is perhaps unsurprising given the increasing poverty that exists thanks to Westminster’s economic initiatives. I will give an example. The low-paid lose out year after year as a result of Westminster’s refusal to peg rises in the minimum wage to inflation.

To give a comparison, in 2010-11 Scotland ranked 16th out of 29 for inequality. Given our high levels of GDP, our strong public finances and the fact that, for example, Scotland’s output per head is 10 per cent above the UK average, not to mention our oil and renewable energy resources, Scotland is one of the wealthiest countries in the world. The economic opportunities that would be afforded to us by independence would provide the choices to make inroads in reducing inequality and to build a fairer society. We would be able to peg minimum wages to ensure that the lowest paid are not cast further adrift, and we would, of course, take charge of our own welfare system, which would mean that we would never have negative and unproductive measures such as the bedroom tax imposed on those who can least afford it.

Let us not forget that Westminster still wants to make many more spending cuts and that independence is the only guarantee that we can choose not to impose those cuts. If Scotland was in charge of its own economy, we would design an economic policy tailored to Scotland and to our society’s needs that would benefit all sectors and ages in this country. We can transform our childcare system by providing the same number of hours of pre-primary education childcare as children receive in primary school at present.

**Jenny Marra:** Will the member give way?

**Colin Beattie:** The economic knock-on effect will be that more parents, and women in particular, will have greater choices and career prospects, thus increasing both jobs and tax revenue.

**Jenny Marra:** Will the member give way?

**The Deputy Presiding Officer (Elaine Smith):** Ms Marra, I do not think that the member is giving way.

**Colin Beattie:** If the number of women in work increased by just 6 per cent, tax revenues would rise by about £700 million.

For those who are studying, we will certainly continue our policy of free education for Scottish students who study in this country, thus minimising the amount of debt that Scottish students have when they embark upon their careers. For those who come here to study, we will have the opportunity in an independent Scotland to examine the reintroduction of the post-study work visa, which Westminster abolished without considering Scotland's economic needs.

Independence would put the Scottish welfare system back in Scottish hands. Cutting the bedroom tax would put roughly £50 a month back into the hands of more than 80,000 households. Every penny counts at a time when many of our poorest people are increasingly relying on food banks, and Westminster's planned roll-out of universal credit is only going to make matters worse. By ensuring that the most vulnerable of our society have the financial support that they need, our economy will be stable from the ground up.

The ability to provide a fair and stable pension is another opportunity that independence provides. The UK has one of the worst records of state pension provision in Europe. As with the welfare system, Westminster ignores Scotland's differing needs in terms of life expectancy. Indeed, it is more than likely that the state pension age will be raised to 70 if we remain part of the United Kingdom. The Scottish Government intends to increase the state pension by at least 2.5 per cent for the first independent Scottish Parliament. That is a start; Scottish pensioners will no longer be left alone to struggle to make ends meet.

We would also finally have the ability to set up an energy fund for future generations, a step that successive UK Governments have never taken due to the lack of long-term vision at Westminster. Scotland has over 60 per cent of oil reserves of all of the EU, not to mention the second biggest gas reserves, and companies in the energy industry are planning to invest more than £100 billion in the years to come. Having our economy in our own hands would protect the oil and gas industries from unexpected tax hikes by Westminster. An independent Scotland would provide stability and the environment to encourage long-term investment in oil and gas. Over the past few years energy bills have constantly risen for consumers and businesses alike. Independence can help us get the choices to stop and reverse that trend.

Taking control of our own tax system would allow us to encourage business and investment. Unlike the very limited tax powers being suggested by Opposition parties, an independent Scotland's tax regime would mean that Scotland could choose to cut business rates, making it an attractive country for companies to retain their headquarters in and improving the opportunities for career progression—that logic speaks for itself.

In Midlothian North in my constituency—

**The Deputy Presiding Officer:** I am afraid that you must come to a close, please.

**Colin Beattie:** Clearly, independence will bring us the opportunities that we need to ensure that our economy is stable and competitive while providing a solid foundation so that the most vulnerable are not left behind. Independence gives us the means to ensure that Scotland's economy is run by Scottish voices for the betterment of the Scottish people.

15:48

**Chic Brodie (South Scotland) (SNP):** I say at the start that I thought that, when Mr Findlay was talking about books, he was about to tell us that he got an economics book for his holidays but he has not coloured it in yet.

It was Bill Clinton's team of advisers who said that the key to winning his first election was the slogan, "It's the economy, stupid." Just as that provided the basis for his victory, so will it be the basis for securing Scotland's independence. Several events show that we are on the way but that we can and will do even more.

Last week, under the stewardship of Murdo Fraser in the Economy, Energy and Tourism Committee, we met senior people involved in social enterprises, of which there are now 509 in Glasgow alone and in which Scotland is one of the global leaders. That same day, in the evening, I hosted a reception on crowd funding, where we learned that the participation of small investors and clients in that process means that Edinburgh and Glasgow are now hot on the heels of London. Both situations, among many others, demonstrate the wielding of economic strength and power and the opportunities that arise from the people and the grass roots.

As has been mentioned, the chief economist's report last week highlighted the strengthening of the Scottish economy, as did the Bank of Scotland report yesterday. Because of the stewardship of the finances, 2014 will be the strongest year of growth since 2007, despite the constraints of budgets. However, we can still—and we must—do more to achieve a fairer, more equal and more

participative Scotland when it comes to jobs and incomes.

Great though the increasing economic contribution of the grass roots is, larger companies, be they in life sciences, renewable energy, manufacturing or tourism, combine to confront the myths that are proposed to dispel Scotland's great economic opportunities.

The first myth is on currency. I will deal with it briefly. In 2013, Scotland was recognised by authoritative financial sources as potentially one of the richest countries in the world. In that year, Scotland had a trade surplus of £2.8 billion and the rest of the UK had a trade deficit of £29.5 billion. Over the past 30 years, Scotland's average net fiscal balance has consistently been better than that of the rest of the UK, as has its current budget balance. A refusal to do a deal on sterling union would be just one contributory factor to the decline of sterling for the rest of the UK.

I turn to the second myth. As Maureen Watt mentioned, oil and gas is of course a significant contributor to Scotland's economic opportunities. The Chief Secretary to the Treasury keeps chanting his mantra that oil is declining, so let us turn the question around. If that is the case, it will, in the unlikely event of a no vote, then apply to a continuing UK Government. In 2011-12 UK net borrowings were £120 billion, or £131.5 billion if we strip out Scotland's offshore contribution. In 2011-12 the figure was £149 billion, and in 2009-10 it was £164 billion, applying the same criteria. That scenario may be unlikely, but in the face of the myth of declining oil those parties should tell us where they would make savage cuts or increase taxes to shore up the currency and to decimate the debt.

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

**Chic Brodie:** No—I cannot just now.

We certainly know where those cuts would fall, and it would not be on the bankers' bonuses.

Of course, UK ministers know that oil is not declining: witness Mr Cameron's clandestine visit to the vast Clair ridge oilfield just two weeks ago, the exploration off Tiree and the cover-up of oil production—I stress the word "production"—30 years ago under production licence PL262 in the lower Clyde and Atlantic margins, in the early 1980s. That cover-up has been acknowledged by Michael Heseltine.

The UK Government continues to perpetuate those myths and others because it knows that Scotland's contribution from food and drink, general exports and oil is required to reduce UK borrowings in an attempt to balance its books.

With the rest of the UK being without Scotland and then pulling out of Europe, I will encourage my children, along with other young people who sought jobs in London and the south-east, to consider coming home, and those who are being trained and skilled here to stay home. We have an opportunity to build a solid Scottish economy based on the economic strategy, which embraces the strong sectors that I have mentioned, and that will allow us to increase our working population and compete on employment and productivity. Young people, more apprenticeships, skills development and a situation in which more women are in management and in the workplace will underpin the economic strategy.

During the recess, I had the opportunity to meet innovators and businesspeople from China, Norway and elsewhere who are attracted to invest in Scotland because they see and sense the economic opportunities that exist here. In 2006-07 8 per cent of inward investment jobs in the UK came to Scotland; in 2010-11 it was 19 per cent; and in 2011-12 it was 18 per cent.

**The Deputy Presiding Officer:** The member must come to a conclusion.

**Chic Brodie:** I began by quoting a former US president, and I will end by quoting the current president. Not only can Scotland be a successful independent country, it will be a successful independent country—"Yes, we can", and yes, we will.

15:55

**Murdo Fraser (Mid Scotland and Fife) (Con):** I will begin by paraphrasing Winston Churchill. He said that it is always a challenge on such occasions to have to follow a really great speaker. Fortunately today I have only to follow Chic Brodie.

Like many other members in the debate, Mr Brodie spoke about the issue of currency. That issue is important, because currency is at the heart of how we take our economy forward.

Nothing typifies the weakness of the SNP's case better than its stance on currency. We know that the SNP stance is that there should be a currency union with the rest of the UK post independence, but that stance is not shared by many other people who are involved in the yes campaign, such as Patrick Harvie, Jim Sillars, Colin Fox and even the campaign's chair Dennis Canavan.

Mr Swinney and his colleagues continually assert that there will of course be a currency union between Scotland and the rest of the UK after a yes vote because that is manifestly in the rest of the UK's interests. However, that view is not taken by the leadership of the three major Westminster

parties or by the people of the rest of the UK, who in successive opinion polls have said that they do not want to share their currency with an independent Scotland.

Nor is it the view of a whole range of experts. When the Parliament's Economy, Energy and Tourism Committee took evidence on the issue in the spring, we heard from experts including Sir John Gieve, former deputy governor of the Bank of England; Professor Ronald MacDonald of the University of Glasgow; Dr Monique Ebell of NIESR; Professor David Bell of the University of Stirling; and the currency expert Dr Angus Armstrong. They were all quite clear in their view that a currency union as proposed by the SNP would not be in the interests of the rest of the UK.

I know that the committee also heard from Professor Anton Muscatelli of the University of Glasgow, who, in fairness, takes a different view. However, he was very much a lone voice among those who gave evidence. The weight of expert opinion is contrary to what the SNP claims, and yet its members still assert those claims as fact.

That leaves us with the question of plan B. The First Minister seems to be hinting that the preferred alternative to currency union is sterlingisation: using sterling without a formal currency union. However, as an expert report pointed out last week, that would be disastrous for the financial services sector in Scotland and would leave us without a lender of last resort.

There are 115,000 people directly employed in the financial services sector in Scotland at present. How many of those jobs would be retained if we went down that route?

The First Minister says:

"It is our pound, and we are keeping it."—[*Official Report*, 7 August 2014; c 33160.]

We have also heard him say that the pound is an asset of the UK that we are entitled to retain and that, if Scotland is denied a share, we do not need to take on any of the liabilities.

That demonstrates a fundamental misunderstanding. A currency is not an asset but a means of exchange issued by an institution—in this case, by the Bank of England. If the people in Scotland vote to leave the United Kingdom, they vote to leave its institutions behind. We might be entitled to a share of their asset value, but the claim that we retain a right to the Bank of England after a yes vote is as absurd as saying that we retain a right to other institutions such as the House of Commons, the House of Lords and the Ministry of Defence.

**Chic Brodie:** Mr Fraser is normally used to proving himself right through wit. This time he has shown himself to be only half right. Who does he

think will carry out the negotiations on a currency union? He seems to attribute the decision to the UK Government, when in fact it rests with the board of the Bank of England.

**Murdo Fraser:** That is a bizarre intervention from Mr Brodie. The negotiations will take place between two sovereign Governments, which will of course be answerable to their electorates.

As I have already said, the latest poll says that 60 per cent of the population of the rest of the UK do not want to countenance a currency union with an independent Scotland.

What would Scotland walking away from a share of the UK debt actually mean? Writing in this weekend's *Scotland on Sunday*, Bill Jamieson put it better than I ever could:

"It would be an act of national financial suicide, branding Scotland as an untrustworthy borrower and wreaking havoc with our claims to fiscal probity."

Angus Armstrong addressed that point when he appeared before the Economy, Energy and Tourism Committee, and he made it clear that there were two substantial downsides to Scotland defaulting on a share of UK debt. First, there would be an impact on borrowing costs. International investors would regard an independent country that had just repudiated its debt share as a poor risk, and the consequence would be much higher borrowing costs in Scotland than at present, which would be a real financial burden on businesses and ordinary families across the land.

Secondly, in the words of Angus Armstrong,

"The precedent that that would set for the rest of Europe would be extraordinary—any part could unilaterally have a referendum on independence and have no debt. There are a lot of places in Europe that would like to do that. People have to think about the broader consequence of that."—[*Official Report, Economy, Energy and Tourism Committee*, 5 March 2014; c 4071.]

Dr Armstrong was absolutely right to highlight that concern. Members must imagine the consequences for debt-laden countries such as Italy or Spain if a precedent was established that parts of them could vote to leave without taking any debt with them and then presumably think that they could waltz into EU membership without difficulty. Nothing would be more likely to provoke a veto on Scottish accession to the EU.

I am sure that those are the arguments that weighed heavily with the fiscal commission when its members failed to support the Scottish Government's stance on the issue—although we await with interest Mr Beveridge's answers to those questions when he makes his speech on Monday.

The fact is that the SNP stance on currency is a total shambles. Members do not just have to take

my word for it—they should listen to what the SNP's former deputy leader Jim Sillars has said. I have a lot of sympathy for the view that the logical position is that an independent country should have its own currency, perhaps with a currency board arrangement with the rest of the UK. However, that is not what is on offer. Instead, we are being offered something impractical, unworkable and increasingly incredible.

All this matters, because people need to know the currency in which their wages will be paid, in which they will pay their mortgages and in which businesses will make their loan repayments. We need to hear from the Scottish Government what its preferred alternative to currency union is. Until it tells us that, its economic plans are totally without credibility.

16:01

**Clare Adamson (Central Scotland) (SNP):** On 18 September, the Scottish people will be given a chance to vote and to answer the question: should Scotland be an independent nation? The yes camp have made a very positive case for why Scotland should indeed be an independent nation. The other camp—the better together camp—have just given us a bunch of fear stories and a negative assessment of the opportunities of independence. The better together campaign always leaves me with a question, which is one that I would ask the Scottish people who are still undecided to ask themselves: better for whom? We are not better together for the people who are affected by the bedroom tax or for those who are using food banks, and certainly not for those who are experiencing the indignity of work capability assessments.

**Jenny Marra:** Will the member take an intervention?

**Clare Adamson:** No, thank you.

What I question most is how we can possibly be better together in a country whose overriding economic trend is towards wider inequality, which means a lack of social mobility, low wages, low productivity and an economic model that will lead to a less prosperous country.

**Iain Gray:** Will the member take an intervention?

**Clare Adamson:** No, thank you.

On 14 July this year, the BBC radio programme “Analysis” broadcast an episode called “The End of the Pay Rise?” The information on the programme states:

“Something strange has been happening in the British economy. For over six years now, wages have fallen for most of us, which is unprecedented in British modern

history. And despite the return of economic growth, wages ... have not picked up.

What has happened? And crucially is this a long term problem—is this the end of the pay rise?”

There were many contributors to the programme, including Paul Johnson, director of the Institute for Fiscal Studies, who is not someone whom I would normally quote in the chamber. The programme explored the direction in which the UK is going on wages and the prospects for people on low wages in our economy.

It is not just the BBC and its “Analysis” programme that have raised concerns. The Chartered Institute of Personnel and Development, the professional human resources body in the UK and internationally, published a document in its series “Megatrends—The trends shaping work and working lives”, the title of which asks the same question: “Have we seen the end of the pay rise?” The summary of key findings makes worrying reading for people living in the UK. It states:

“Since January 2009, average weekly earnings (excluding bonuses) have fallen by 8 per cent”.

It continues:

“This pattern is widespread across the workforce, affecting men and women, public and private sectors, all parts of the UK and most industries. The drop in real earnings has been slightly greater at the top of the earnings distribution than at the bottom.”

The situation is even worse for self-employed people, who have seen an even bigger drop in real-terms average earnings of, sometimes, between 20 and 30 per cent in the three years to 2010-11.

The “Analysis” programme and the CIPD document show that, if we continue with the US model of a low-wage, low-productivity economy—that is the direction in which most of the economic experts tell us the UK is heading at the moment—we will end up in the position of the US. Between 2008 and 2012, average earnings fell in real terms in many OECD countries. In fact, in five of those for which there are data—

**Jenny Marra:** Will Clare Adamson give way?

**Clare Adamson:** No, thank you.

In the USA, real earnings for median, full-time workers were no higher in 2013 than they were in 1979. If we continue on the road to a low-productivity, low-wage economy and inequality in the UK, we will end up in the position of the US. I ask the question again: better together for whom? It is not better together for ordinary workers who live and work in the UK.

Some of the analysis and the CIPD study ask who the changes have most affected across the OECD countries, which is really interesting.

Researchers asked employees whether, if they compare their current situation with that in January 2009, they have experienced a change in their salary. It is no surprise to learn that those who have experienced an increase in salary include workers in Denmark, the Netherlands, Finland, Norway and Sweden—those small northern European countries with similar prospects to Scotland as an independent nation, which continue to buck the trend of economics, reduce inequality and develop a model that can go forward.

At the cultural conference that we held in the Parliament this weekend, Simon Anholt of the University of East Anglia presented an interesting table of analysis about how good a country is. Despite some of the disparaging comments from better together representatives about some of our neighbours, such as Ireland and Iceland, the good country index, which measures not what a country does at home but the greater good that it does in the wider world, is topped by the Republic of Ireland. Again, it is not surprising that Finland, Switzerland, the Netherlands and Denmark are in the top five. Our country can aspire to have a similar level of inequality, a similar progressive economic model and a similarly prosperous future to those countries.

16:08

**Elaine Murray (Dumfriesshire) (Lab):** Nobody here has been arguing that Scotland could not be an independent country. The only people I have ever heard saying that Scotland could be too poor, too weak or too unsuccessful are members of the SNP. Nobody I have ever heard on the unionist side has ever said that.

The success of the Scottish economy under separation is perhaps more questionable, and the questions exist because of the lack of answers from the yes side. People are not getting the answers that they want, but, as the cabinet secretary himself said, the question is whether Scotland should be independent or whether it would be more successful with a devolved Parliament that had increased powers within the United Kingdom. The arguments that the yes side is still putting forward are the assertions of the Scottish Government, with all the uncertainty that it seems to be unable to resolve.

I have spent many, many hours on the doorsteps of residents of Dumfries and Galloway over what feels like the past several months and have listened to their views. There are some who remain undecided, but they tell me that they are not getting enough information about how separation, or independence, would work. They are not getting the answers that they seek about what would actually happen, and they are not

interested in being told that page 110 or whatever of “Scotland’s Future: Your Guide to an Independent Scotland” will explain it all. They want straightforward answers about questions of currency, about how all the aspirations in the white paper will be paid for and about what the effects will be on the local economy.

The effect on the local economy is important to people in my constituency because of our links with Carlisle and Cumbria. Those links are important to us economically and socially.

Carlisle is by a long way our nearest city. We have much greater connectivity with Carlisle than we have with any city in Scotland. My constituents use Carlisle for leisure, shopping, access to the rail network and work. There is a whole barrage of reasons why people do not want to be separated from Carlisle. People who live in the east of my constituency access medical services in Carlisle. Some businesses in Gretna, for example, operate on both sides of the border. Many of the tourists who visit Dumfries and Galloway come from northern England and the Midlands, and those areas are targeted in local tourism campaigns because they are such a strong source of visitors. It is hardly surprising therefore that the links across the border are so important to my constituents, and they are why I believe that a substantial majority of my constituents will vote no on 18 September. There is no way that those links would be improved under independence.

Devolution, however, offers further opportunities. Members might not be aware of the UK House of Commons Communities and Local Government Select Committee, which last month published an interesting paper on the potential for devolution in England, and specifically on fiscal devolution, with additional tax-varying and spending powers given to cities and the city regions that have been created through local authorities working together. Some limited examples are already functioning through the city deal, but what the select committee is proposing goes much further.

The select committee is composed of Labour, Conservative and Liberal Democrat MPs, and those MPs are urging the implementation of their proposals during the next Westminster parliamentary session, starting next year. I hope that their parties are listening.

**Kenneth Gibson:** The member is talking about devolution. What does she say to Professor Peter McGregor who told the Finance Committee that Labour’s devolution proposals would mean that taxes in Scotland would be higher than in England—Mr Findlay would not let me ask him about that—and would cost the Scottish economy £4.6 billion a year and 75,000 jobs? The only way to avert that would be to reduce the wages of

public sector workers. The member can look that up on the Finance Committee's website.

**Elaine Murray:** I wish I had not taken than intervention; it was just a diversion from what I am trying to argue for my constituents.

I know that MSPs such as Kenneth Gibson think that what is happening in England is completely irrelevant, but it could be extremely important to the south of Scotland as long as we remain part of the United Kingdom.

Additional power is already being devolved to Scotland in 2016, as we all know, and all three main UK parties have agreed that further powers will be devolved.

**The Minister for Local Government and Planning (Derek Mackay):** Will the member take an intervention?

**Elaine Murray:** No I will not; the previous one went on for far too long.

There are differences between the parties' proposals, as expected, but power should not be transferred from Westminster to consolidate power in Holyrood. The SNP Government does not seem to understand that. We, too, should be considering how powers can be further devolved more locally. It is in such devolution of more power that there is an opportunity for Dumfries and Galloway to work with the authorities in Carlisle and Cumbria to develop the regional economy. I consider that to be a huge opportunity for the Solway basin, but it cannot happen if both sides are in separate countries. Even if there was no physical border, that sort of collaboration could not take place.

We know that one of the consequences of devolution in the south of Scotland is that cross-border working has not taken place to the same extent that it did prior to 1999. That cross-border co-operation needs to be reinstated if we are to take forward the city of Carlisle region, which Dumfries and Galloway is part of. Devolution on both sides of the border would offer that opportunity, but separation will not—it will kill it stone dead. If we have separation, Dumfries and Galloway will remain a forgotten corner of Scotland, cut off from Carlisle and with no strong links to any Scottish city.

As I have said on several occasions, if the people of Scotland vote yes, I will respect that decision—and I will. However, I will have serious reservations about the effects on my constituents. I genuinely cannot see how separating from the rest of the United Kingdom, and Carlisle and Cumbria in particular, can be of any economic benefit to Dumfriesshire. I make no apology for being parochial in my contribution because I was elected to represent the interests of my constituents, and it is my firm belief that separation

from our closest neighbours in Carlisle and Cumbria cannot be in their interests. That is the reason why my constituents will vote a resounding no on 18 September.

16:14

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** Like Elaine Murray, I am going to be a bit of a parochialist, but I am also going to be an internationalist.

The people in my constituency earn their living in a variety of ways. Fishing is a long-running industry. Over the years, my constituency has been the site of the biggest whaling port in the world, and people travelled from there to the other end of the world. Today we have Europe's biggest whitefish port—we are significant in the pelagic industries. Many of my constituents work off shore in the oil and gas industry and are getting increasingly involved in the offshore renewables industry. Agriculture is a very significant industry. We deliver the finest beef in the world—not only to Scotland but beyond, to around the world. We also have significant engineering interests. How are those various interests served by the present arrangements, and could they be better served in an independent Scotland?

We in Scotland have the longest coastline of any country in Europe. In fact, to give everyone a sense of how long it is, I point out that China's coastline is only 50 per cent longer than Scotland's. We are essentially a country with extensive and important maritime interests.

When one has maritime interests, one requires the ability to defend those interests. Do the present arrangements provide for adequate defence? We heard that there are going to be three new small vessels to protect the UK's coastal interests. Where are they to be based? Here is a picture of the total number of vessels in the Royal Navy protecting our maritime interests that are based in Scotland.

That is not just a theoretical debating point. The Kuznetsov, the biggest capital ship in the Russian navy, was built in Odessa in the late 1980s, weighing nearly 60,000 tonnes, with squadrons of Sukhoi Su-27s and Antonov 41s, helicopters, surface-to-air missiles, seven varieties of radar for detecting threats to its integrity and 2,000 sailors on board. In January this year, it was moored so close in off my constituency's coast that, even with my eyes, with hypermetropia, myopia, presbyopia, low-light myopia and astigmatism—only one sight defect to go and I will have the full set—I could see it. It was legally moored in the Moray Firth, outside the 12-mile limit, but inside our area of economic interest of 200 miles. I could see beyond

it—further out—the Beatrice oil platform. That is how close in it was—we could all see it.

How did the Royal Navy know that the Kuznetsov was there? Well, the Russian sailors have caught up with the modern world and one of them advertised the presence of the Kuznetsov via Twitter. On the case at once—believe me—the Ministry of Defence spotted it and dispatched a vessel to protect our maritime interests. In only 38 hours, it got there to see what was going on.

How would such things have been done better elsewhere? Ireland has eight vessels around its coast. It has just increased the number from seven to eight vessels, and they are distributed around the rather shorter coastline of that smaller, less economically powerful country. Ireland also has a couple of aircraft, which could have gone out and sniffed and hovered over the top and seen what was going on. Our Nimrods are history—unreplaced. The Kuznetsov is also an aircraft carrier and, as I said, it has aircraft on it, which is slightly different from the UK situation.

Our other interests include agriculture. Our farmers get the lowest support of any country in Europe, not because money was not provided by the European Union to help farmers in more disadvantaged areas but because the UK Government kept that money, which came to the UK only because of the special circumstances of agriculture in Scotland, where 85 per cent of our land has less favoured area status, while south of the border 15 per cent of the land has less favoured area status. We suffer in agriculture because we are part of the current union. We could do so much better.

Fishing—if only I had an hour or two on that subject. We have seen our fishing industry suffer every time the UK represents fishing in Europe, because the priorities of the Scottish fishing industry are not the priorities of the United Kingdom.

Were we representing ourselves—even if our own minister occasionally got to speak in Europe—we would do better. An independent Scotland would certainly do better beyond peradventure.

We have heard a lot about currency, which is important, but even more important is our economy. The currency is secondary to our economy. If we do not get our economy right and we do not have a Government that represents our economy's interests, my constituents will continue to suffer the effects of the United Kingdom. It is time we had independence, so that my constituents and people across Scotland can be properly supported in their economic endeavours.

**The Deputy Presiding Officer:** Thank you. Before we move on, I remind members that the

use of props is not allowed in the chamber. There are many reasons for this; one is that the official report cannot record proceedings properly if props are used.

16:20

**Margaret McDougall (West Scotland) (Lab):** I have listened with interest to the debate and I suggest that a more appropriate title might be “The economic uncertainties of independence”. With just 36 days left until the independence referendum, the people of Scotland lack key information on how independence would work. They lack information about the currency, start-up costs, pensions and taxation. Far from being an opportunity, it appears to be a leap into the unknown.

I will focus my speech on the two major issues of currency and taxation. It has been made clear that a currency union, the preferred option of this Government, is off the table. No matter how many times Alex Salmond repeats, “It’s Scotland’s pound”, that will not change the fact that if the rest of the UK does not want a currency union with Scotland we cannot force it into one. Even if a currency union was on offer it would effectively mean handing the key fiscal levers of the economy over to the central bank of another country, while losing our political union and influence.

Sterlingisation is an even less attractive option. No one is denying that Scotland could use the pound, but without a currency union we would be left without a lender of last resort. That is just not credible. According to the National Institute for Economic and Social Research, sterlingisation would have a knock-on effect on Scotland’s financial sector, creating a financial border whereby banks would be forced to move their head offices to the country in which the central bank was located. Financial sector exports generate 9 per cent of Scottish GDP, so that would be a huge loss to our economy.

It is perplexing that the party that pushed for this independence referendum—a party established in 1934 to fight for Scottish independence—seems to be fighting so hard against a Scottish currency. Instead it proposes a currency union while stripping away the political union that makes our currency union work.

Without a clear plan on currency there is no opportunity, only uncertainty: uncertainty for Scottish businesses, uncertainty for Scottish banks and uncertainty for the Scottish people. In effect, there are no answers, no credibility—no thanks.

The plan, or lack thereof, on taxation is even more worrying. When I asked Mr Swinney last



week whether taxes would need to increase to pay for things promised with a yes vote, he replied:

“the answer is no: taxes will not have to go up to pay for independence.”—[*Official Report*, 7 August 2014; c 33153.]

However, David Philips, the Institute for Fiscal Studies economist, tells us:

“an independent Scotland could expect to be running a deficit of around 5% of GDP in 2016-17, which would be larger than that facing the UK as a whole, and would necessitate tax rises or spending cuts.”

**Kenneth Gibson:** The Institute for Fiscal Studies told the Finance Committee on 5 March that UK Government departments will face a 17.1 per cent cut in their budgets in the period up to 2019. What is Margaret McDougall’s view on that? What will be the impact on Scotland?

**Margaret McDougall:** I was not party to that conversation so I will not comment on it.

Professor Jo Armstrong of the Centre for Public Policy for Regions told the Economy, Energy and Tourism Committee:

“There are opportunities but ... we either increase taxes ... or cut spending, given that we have a fiscal deficit and, potentially, limits on how much additional borrowing we can make”—[*Official Report, Economy, Energy and Tourism Committee*, 5 March 2014; c 4079.]

However, there are no signs of any tax increases or spending cuts in the YESNP’s plans; instead we are promised tax cuts and spending increases. Therefore, I ask the same question that I asked last week: how are we paying for increased spending?

The money saved from scrapping Trident must have been spent at least 10 times over by now. We know that oil and gas are finite and volatile—Citigroup has stated that, with the recent drop in oil revenues, Scotland’s fiscal deficit is now significantly above UK levels.

This is fantasy economics. Cuts are being proposed in private while the SNP still maintains publicly that it will be all right on the night—just vote yes. However, impartial expert bodies such as the IFS tell us that we would need to make cuts almost immediately.

Is it any surprise that the latest polling shows support for no at 55 per cent while support for yes is at 35 per cent? [*Interruption.*]

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

**Margaret McDougall:** People are rejecting the separatist agenda and seeing the opportunities of devolution because we have 300 years of shared experience, shared history and joint endeavour.

Scotland can stand up and lead the UK, not stand up to leave it. Our economic, social and political union offers us strength and security, while devolution means that we can forge our way

forward, with more powers coming with the Scotland Act 2012 and even more after a no vote.

Scotland does not need independence to stand on its own two feet; we already do that. I do not want to break away from my brothers and sisters in the rest of the UK; I want to tackle inequality and injustice wherever they arise. On 18 September, I will be voting to strengthen our ties, not to cut them.

16:27

**Roderick Campbell (North East Fife) (SNP):**

This has been a lengthy debate with some interesting contributions. Ultimately, however, the debate is between those who value opportunities and rise to challenges and those for whom the glass is always half empty, even when it is crystal clear—as is now widely acknowledged—that Scotland can be a successful independent country.

A small country such as Scotland has an abundance of opportunity laid out before it. We need to ensure that we take advantage of it. One example of how we could do that is set out in the Scottish Government’s “A Jobs Plan for an Independent Scotland”. The plan builds on the white paper and sets out how we can make Scotland’s wealth work to create jobs and opportunities.

It is clear that Scotland would, as an independent member state of the EU, have a number of priorities that differ from those of the UK. We already have different priorities from Westminster in many areas including fishing, farming and energy, to which my colleague Stewart Stevenson has already referred.

Independence will allow Scotland to replicate the approach of small states such as Denmark, Ireland and others in relation to approaching negotiations in the EU effectively, by forming alliances when and with whom it suits us to do so, sometimes working with the rest of the UK and sometimes working with others, whether that be on fishing, on farming or even on arrest warrants or student visas.

The first report of the fiscal commission—

**Willie Rennie:** Will Roderick Campbell take an intervention?

**Roderick Campbell:** No. I am sorry, but I am going to press on.

The fiscal commission’s report has been much referred to in comments on currency. What I found impressive in the report was the conclusion that, under the union, in terms of economic growth, Scotland has underperformed relative to the UK as a whole and relative to other small countries

including Austria, Denmark, Sweden, Ireland and Portugal. Also, in the 30-year period to 2007, we have had an annual percentage growth of 2.3 per cent, compared with 2.8 per cent for the UK as a whole. That growth rate has been broadly similar since then.

However, in the longer term, as the fiscal commission reports, growth depends on productivity. In that respect, the UK record remains poor. Although Scotland has closed the relative gap with RUK, we remain behind key competitors such as the United States of America, Germany and France, which John Swinney referred to. I recognise, of course, that we need to make it clear that we need to have the right balance of growth so that we have growth that reduces inequality.

Historically, we have also had a lack of growth in population—as Kenny Gibson mentioned—particularly compared with RUK. That lack of growth has seemed to change in recent years and we know, of course, that a modest increase in the number of people—particularly young people—staying in Scotland each year could have a significant impact not only on dependency ratios but on growth itself.

We also know that although Professor Stiglitz might not be a fan of reducing corporation tax, he concludes that countries that are more unequal do not do as well as, do not grow as well as, and are less stable than those that are more equal.

In the debate today, speakers including Jamie Hepburn have talked eloquently of the nature of inequality in Scotland. Although I accept that there is no guarantee that an independent Scotland will be a more equal society, I think that there is every prospect that it will be. Indeed, some of the no campaigners seem to be positively fearful of that possibility.

Independence gives us a unique opportunity to change the kind of society that we are. On Saturday, I met a voter in my constituency who will be voting yes because he wants to see a revolution in Scotland's health record which, in his view, would have a knock-on economic effect. He believes that—leaving aside the impact of the privatisation of the NHS down south—independence offers opportunities that the status quo simply does not offer.

When we speak of the risks of independence, let us also remember the letter to the *Financial Times* last week from Jim Spowart and others, which said that those who seek to evaluate risk in the financial sector must take account of the far more significant risk that is posed to financial services by the prospect of a UK exit from the EU.

We should also never forget the key mantra of the Westminster Government in this referendum

campaign: “No pre-negotiation”. Of course, that fits very nicely with the agenda of raising doubts and uncertainty as a key campaigning tool, which we have heard in the chamber today. Of course, a position of there being no pre-negotiation means that there can be no definitive answers on many key issues. However, it is on the currency issue alone that the Westminster Government decided to make its position known—supposedly in a spirit of giving the facts to the Scottish people on this very important issue. Of course, that is not pre-negotiation. Rather, that is what Westminster says, and obviously, if it says it, it is right. What is right that the Opposition parties will fight to the death following a yes vote in order to ensure a currency union, because that is best for Scotland. We can only assume that that is why we have heard nothing from them about a plan B in the event of a yes vote. *[Interruption.]*

**The Deputy Presiding Officer:** I am sorry, Mr Campbell.

I must say that I would be grateful if members on all sides of the chamber would listen to the speeches that are being made.

**Roderick Campbell:** Earlier, there was a reference to currency bluffs. However, it was Henry McLeish—not a supporter of the SNP—who said that the currency bluff

“is entirely political and of course consistent with the unionist campaign.”

The people of Scotland have a lot to weigh up over the next few weeks. They have time to reflect on where opportunities arise. I am sure that members in this part of the chamber and thousands of activists around Scotland will continue to make the case for the opportunities of independence.

**The Deputy Presiding Officer:** We turn to the closing speeches. Gavin Brown has six minutes or so.

16:32

**Gavin Brown:** The attitude of the Scottish Government to the referendum and, indeed, its governance in general was encapsulated in one minor exchange at the start of the debate. It was not an exchange that is central to the debate, but it demonstrates the approach of this Government. Jenny Marra asked the cabinet secretary why unemployment is currently higher in Scotland than it is in the rest of the UK. When it is lower in Scotland, the Scottish Government releases press release after press release and holds press conferences about it, and it is at the start of every speech that the First Minister or the cabinet secretary makes. However, when unemployment is higher in Scotland, it is something that ought to be ignored. It is something not to be taken too

seriously and it is just a “blip” in the figures. If the figures support the Government’s case, they are the most important figures on the planet, but anything that attacks or weakens its arguments in any way whatever ought to be completely ignored and is totally irrelevant.

We have had some bizarre admissions in this debate.

**John Swinney:** I am a bit bewildered by Mr Brown’s remark, given that, every month, the Government issues a press release about the labour market statistics, regardless of what they say. That happens every single month, so I do not understand the point that he has just made.

**Gavin Brown:** Allow me to assist the cabinet secretary. In a month in which unemployment is lower in Scotland, the most important figure to look at is the headline unemployment figure. If it happens to be higher in Scotland in that particular month, it is something that is buried away at the bottom of the press release and is one of the less important aspects of the economy.

Let us return to the central aspects of the debate. *[Interruption.]* If Mr Swinney wants to speak, I will take an intervention from him at any time. He does not have to shout from the sidelines.

The Scottish Government’s key argument is that we need to vote for independence to stop austerity. It genuinely tried to claim that, were we to be independent, there would be no cuts in public spending, no tax increases—indeed, there would be tax cuts—and welfare spending would increase. In addition, people would be able to retire at a younger age and, at the same time, there would be an oil fund.

The Institute for Fiscal Studies, which has been quoted by SNP member after SNP member to support their case, said that if an independent Scotland wants sustainable public finances it would have to have greater spending cuts and/or tax increases on top of every single one that is planned by Westminster. We would therefore have a greater fiscal deficit than the rest of the UK not just in year 1 of independence, but for each year thereafter. SNP members are shaking their heads. If they want to stand up and show me an independent, well-respected expert who has suggested that we would have a smaller deficit than the rest of the UK, I will happily take that intervention.

The Scottish Government claims that everything would be fine with economic growth, were we to separate. I posed a question at the start of the debate: what industries would suddenly start coming to Scotland because we had become independent? We have heard about none.

Perhaps Mr Brodie will enlighten us at this late stage.

**Chic Brodie:** I intend to do so. Will Gavin Brown give his reaction to today’s announcement by Aker Solutions that it will invest £150 million to move into new premises in Dyce, and agree to a lease of up to 35 years, with the potential to create hundreds of jobs in the energy market?

**Gavin Brown:** I am not convinced that that intervention enlightened me or anyone else. I do not think that Aker Solutions is coming to Scotland because we might become independent; I would have thought that the company is coming anyway. However, given the state of the polls, it may think that we might not become independent.

The Scottish Government cannot suggest which industries would suddenly come to an independent Scotland, it cannot suggest which industries are being deeply held back by being part of the UK and, when it comes down to the hard policies that it intends to bring in that we do not already know about, it does not have any. Furthermore, we already have the powers to develop some of the policies that it has proposed.

We lodged some simple freedom of information requests after the Scottish Government’s previous report on the economy. Following that report, the headline of the Scottish Government’s press release was “£5 billion increase in revenues by 2029”. The Government said that it could use the powers of independence to generate that tax revenue. Therefore, we asked whether it could show us the modelling on the employment increases, the productivity improvements and the increased migration on which that figure was based. However, the Government had done no modelling. Indeed, it said that it was satisfied that it did not have the information requested. The £5 billion figure cannot be taken seriously. The same is true of most of what was in the so-called top 10 reasons to become independent.

The cabinet secretary has said that if the Scottish Government does not get a currency union, it will walk away from all the debt. Do all the members of the fiscal commission working group support that stance and that argument? If so, will the fiscal commission confirm that this evening, or will the chair confirm it in his speech on Monday? I hope that the cabinet secretary will address that issue.

16:39

**Jenny Marra (North East Scotland) (Lab):** The point on unemployment is that when the unemployment figures look good for Scotland, Mr Swinney and the SNP Government take all the credit. However, when the unemployment figures look bad and worse for Scotland, Mr Swinney

turns that into an argument for Scotland to separate from the rest of the United Kingdom. That shows the shallowness of the SNP's whole case for independence, because come rain, hail or shine their answer to every question is to separate the country from the rest of the United Kingdom.

The nationalists wanted an independent Scotland during Attlee's reforming Government in 1945. They wanted an independent Government when—[*Interruption.*] Mike Russell may laugh, but the point came up this afternoon. The nationalists wanted independence when our Labour Government was raising two-thirds of children in the United Kingdom out of absolute poverty. Power is about what we do with it, not where it is wielded.

**John Swinney:** I am intrigued by Ms Marra's argument that it is not about where power is located. Why, then, was the Labour Party an advocate for there being a Scottish Parliament that gives us the ability to determine policy choices differently from people in the rest of the United Kingdom? Why is that appropriate for education, for example, but not for welfare?

**Jenny Marra:** Mr Swinney seems to think that all power needs to be wielded in Edinburgh. The Labour Party, as he well knows—[*Interruption.*] Let me answer. The Labour Party believes in the principle of subsidiarity, whereby power is wielded at the most appropriate level, be it the European Union, Westminster, Holyrood or local government. [*Interruption.*]

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

**Jenny Marra:** This afternoon's debate has very much reflected the mood of the past week. The case for breaking up the union has completely fallen apart. It is a case of the emperor's new clothes. The SNP's failure to answer key questions has left it naked and panicking—[*Interruption.*] That has been the tenor of the debate.

**The Deputy Presiding Officer:** Ms Marra, may I stop you for a moment?

This debate has thus far been conducted with respect on all sides. I hope that that will continue until the end of the debate.

**Jenny Marra:** I appreciate that I did not create a pretty picture, Presiding Officer.

We heard from SNP members a list of assertions, on which many were not prepared to be challenged. That is true of Jamie Hepburn, Colin Beattie and Clare Adamson. Kenny Gibson also made a series of assertions without offering any evidence.

Such assertions are becoming more shrill and fanciful by the day. When Maureen Watt

announced at a conference that I attended that ferries would go faster in an independent Scotland, I thought that she was joking—[*Interruption.*]

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

**Jenny Marra:** Willie Rennie was right. Passion and nationalism are completely obscuring reality among the SNP members, as has been patently clear to anyone who has been listening to the debate this afternoon.

I read "A Jobs Plan for an Independent Scotland", which John Swinney has re-released. I was drawn to page 24, which refers to five proposals that are set out in "Reindustrialising Scotland for the 21st Century: A Sustainable Industrial Strategy for a Modern, Independent Nation". I was intrigued by the five points. The first is:

"Establishing a Scottish Innovation Agency".

The exchanges between Gavin Brown and John Swinney established that that could easily be done right now.

The second proposal is that an independent Scotland would deliver

"tax credits for R&D expenditure".

There are already tax credit arrangements in the UK for R and D.

The third proposal is:

"Establishing a Scottish Business Development Bank".

That is presented as a new proposal to reinvigorate the economy, but of course it is not new. The pledge has appeared, disappeared and reappeared over the past couple of years.

The fourth proposal is:

"Ensuring a legal framework which protects and supports intellectual property rights";

That is another proposal that would bolster our economy. However, I know that Mike Russell told a senior intellectual property lawyer in this country that the SNP has not the first idea about how it will establish an intellectual property system when Scotland comes out of the gold-plated patent arrangements that we enjoy as part of the United Kingdom.

**Michael Russell:** If Jenny Marra has evidence that I said that in the way that she said that I said it, she should bring it forward. If she does not have that evidence she should withdraw her comment. It is not a remark that I have ever made. I am, of course, always willing to discuss such matters with lawyers and others.

**Jenny Marra:** I understand that Mike Russell has said that the SNP does not yet have a plan to establish an intellectual property system in

Scotland. If he has such a plan, I will be happy to hear it now—[*Interruption.*]

**Michael Russell:** No name was given—

**Jenny Marra:** Clearly—[*Interruption.*]

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

**Michael Russell:** On a point of order, Presiding Officer. I think that, if an assertion is made and no name is attached to it, it is incumbent on the member to bring that name forward, and I will contact the person to find out what was said. [*Interruption.*]

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

**Jenny Marra:** Everyone in the chamber will agree that the actual plan for the system is much more important to the voters of Scotland than any name.

The fifth proposal is:

“Investing in the world class research of Scotland’s Universities and Research Institutes”.

On a recent visit to the University of Dundee, Alistair Darling and I spoke to some of Scotland’s most senior life sciences researchers, who said that it would be the mother of all disasters for their research funding if Scotland were to leave the United Kingdom. As for the final proposal, which is to set

“incentives to attract the best researchers from across the world”,

the researchers whom we spoke to also told us that the best researchers want funding and a critical mass of research relationships across the UK. The plan is simply a mix of things that can be done now, things that already exist and quite fanciful pledges.

Like Malcolm Chisholm, I was intrigued when I heard more about the spending plans for the Trident trillions. The Scottish Government estimates that it would cost £200 million to set up a new Scottish state, which I think is quite a modest estimate. If I am not mistaken, however, that would be the Trident money gone. In last week’s debate on Trident, the SNP pledged to spend the money on a convention on defence, on health, on education and on creating alternative jobs at Faslane. Today, it has pledged to spend the money on childcare. There seems to be no end to this pot of money. I think that, again, the clothes have fallen off that pledge.

Turning to tax—[*Interruption.*] I am happy to take an intervention from Ms Adamson if she wishes to offer one.

**Clare Adamson:** Is better together simply content to continue to spend billions of pounds on Trident?

**Jenny Marra:** Clare Adamson will know that I have long campaigned against nuclear weapons—[*Interruption.*] If I could finish my point—[*Interruption.*]

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

**Jenny Marra:** I want to get rid of them all over the world, but Ms Adamson might also know—[*Interruption.*] If members will let me speak—[*Interruption.*]

**The Deputy Presiding Officer:** Order.

**Jenny Marra:** Ms Adamson might also know that I think that the SNP’s pledge to get rid of Trident is an absolute fallacy. When in the event of a yes vote it comes to negotiations between Alex Salmond and the British Government, it will be the first thing to fall off Alex Salmond’s agenda—and there are senior people in Yes Scotland who agree with me on that. [*Interruption.*]

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

**Jenny Marra:** The people of Scotland have a right to expect better from their Government than the situation into which we have been led. There are just over four weeks until a referendum that proposes to end one of the world’s oldest economic unions. The pound in our pocket is nothing to do with identity. It is not about posturing. It is, in essence, a contract—a sign of trust and a trade that is made that ensures that a person will receive value for their labour. In the derogation of their duty and their failure to come up with a plan B on currency, the SNP and Alex Salmond have broken their contract with the people of Scotland in front of the world.

**The Deputy Presiding Officer:** Please draw to a close, Ms Marra.

**Jenny Marra:** I will do so, Presiding Officer.

This unholy mess is not fit for Scotland. We must say clearly to all those who are listening that the SNP’s rank incompetence is not Scotland’s, and that after 18 September we must all work together to make it good.

**The Deputy Presiding Officer:** Thank you. I call Michael Russell to wind up the debate. Cabinet secretary, you have until 5 o’clock.

16:49

**The Cabinet Secretary for Education and Lifelong Learning (Michael Russell):** Let me give the chamber a revelation: I think that on the evidence of this afternoon’s debate there are no votes in this chamber that are up for grabs in the referendum and that it is pretty clear that there are no undecideds on these benches.

However, there might be some undecideds watching at home. I suspect that they might well

have turned off by now, particularly after Jenny Marra's speech, but if they are still watching I suggest to them that, if they are trying to come to a judgment on the basis of this debate—there are people in the gallery who might want to make such a judgment—they should do so on the basis of what has been the positive view and what has been the negative view.

Look at the positive view that all my colleagues in the chamber have expressed and at the endless, destructive negativity that we have heard from Labour, the Liberals and the Tories.

I will start with the clearest view of the currency issue. As ever, the First Minister got it right in the chamber last week. I will repeat his exact words. He said:

"It is our pound, and we are keeping it."

There are no ifs and no buts. That is the guarantee. That is plan A to Z. For the benefit of those who are still trying to frighten people out of what is theirs—people such as Mr Henry, who asserted that Scots will not be able to buy food or go on holiday after independence, and Mr Fraser, who tellingly referred—

**Hugh Henry:** Will the cabinet secretary take an intervention?

**Michael Russell:** No, I will not. I am sorry; one contribution from Mr Henry in an afternoon is more than enough.

Mr Fraser referred to the currency belonging to someone else, which was very interesting. I will repeat what the First Minister said so that there can be no doubt. He said:

"It is our pound, and we are keeping it."—[*Official Report*, 7 August 2014; c 33159.]

**Hugh Henry:** On a point of order, Presiding Officer. Mr Russell has just made a statement in which he attributed words to me that I did not say. Is it in order for members to fabricate words that were not said during the debate and attribute them to other members? [*Interruption.*]

**The Deputy Presiding Officer:** Order, please. What members say in their speeches is entirely up to them. It is not for me to decide what they should and should not say. However, the *Official Report* undoubtedly shows every word that has been said in the chamber.

**Michael Russell:** I am sure that Mr Henry will reflect on that when he looks at what he has said about me and my writings. I am sure that he will think about that carefully. Mr Henry's words speak for themselves, as does his depressing demeanour.

The debate has been one of great contrasts. I go back to positivity and negativity. My friend Mr

Swinney talked about ambition, achievement, resources, potential and raising the eyes of Scotland to what can be achieved. In my area of special interest, he talked about the need for transformative childcare and the world-leading position of Scottish higher education. What was the result? [*Interruption.*]

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

**Michael Russell:** The result was that, 10 minutes in, Mr Rennie gave the knee-jerk plan B its first outing. Mr Brown then leapt back in. Project fear was in there working hard.

The other side of the unionist coin then showed itself. It was quite stunning. Alex Johnstone chuntered on from a sedentary position about the fact that everything that was mentioned was a product of the wonderful union, but he was interrupted by Jenny Marra, who said that everything was the result of the failed SNP. There we have it: that is a contrast. Labour hates the SNP more than anybody else, and the Tories love the union more than anything else. Neither of those is a prescription for a safe future.

Believing that a Labour Government will remove weapons of mass destruction is also not a prescription for a safe future. There is no evidence for that whatsoever. How else are we to get rid of weapons of mass destruction, except by independence? That is the reality.

It was telling that, when Mr Swinney mentioned Trident and what we need to do, the reaction from Labour and the Tories and even from the sole Lib Dem who was there was derision. They want to put bombs before bairns and Trident before teachers. That is their shame.

Let me carry on.

**Neil Bibby (West Scotland) (Lab):** Will the cabinet secretary take an intervention?

**Michael Russell:** No, I will not take an intervention. I am sorry.

The reality of the debate was shown clearly. It was about that negative view. Nothing could be done. We had to ask what that was about. Maureen Watt got it 100 per cent right. She analysed the debate early on. The great fear that exists in project fear is the could-should-must progression. If any member on the Labour benches could admit that Scotland could be independent—I will come to Elaine Murray in a moment, as she did that momentarily—the whole fantasy will collapse.

The reason why it collapses is that that leads to the argument that Scotland should be independent, which is the argument that my colleagues made this afternoon. It goes a step

further to the argument that Scotland must be independent.

The biggest illustration of that was given by Malcolm Chisholm. Yet again, I was saddened by a speech by Malcolm Chisholm. I have admiration and time for Malcolm Chisholm; he is laughing, but I do. I do not think that he and I differ very much in some of the things that we want to see, but here is the difference. *[Interruption.]*

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

**Michael Russell:** Labour members want to laugh at this, because it is beginning to strike home.

The difference is that I and my colleagues have a plan for how to achieve those things. We know how poverty can be eliminated in Scotland. We know—

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

**Michael Russell:** No—I want to finish my point.

I know that it is annoying to Iain Gray, but the truth of the matter is that it is possible to have a plan to change Scotland and to do those things. We can set out with those intentions and we can work hard to meet them, or we can—as Labour members would have us do—simply keep our fingers crossed that we get a Labour Government that could possibly pursue the things that they want to see in Scotland rather than the things that Ed Balls and Miliband want to see south of the border. I say to Malcolm Chisholm that that is not a plan: that is keeping your fingers crossed and putting party before principle.

**Malcolm Chisholm:** The cabinet secretary may have a plan, but the whole point of all the Labour speeches has been to point out that it is not a plan that can be delivered without an economic foundation. Before he gives us any more claptrap about the negativity of Labour members, will he reflect on the fact that by far the biggest and most disgraceful scare of the referendum campaign is what the yes side is saying about the NHS? *[Interruption.]*

**The Presiding Officer:** Order! Order!

**Michael Russell:** How interesting. Mr Chisholm is being wildly applauded by Jackson Carlaw, who—

**The Presiding Officer:** Sit down, Mr Russell.

That is quite enough. There is far too much heckling and far too much noise. The minister is speaking, so allow him to do so. This is a Parliament; it is not a public meeting or a hustings. There are people in Scotland who are listening to the debate. Make it worthy of them.

**Michael Russell:** Why was Jackson Carlaw—the person who got so agitated about the issue of the NHS last week—applauding so much? Because we have hit the nail on the head. If the financial power lies outside Scotland, the decision on the priorities of Scotland and how to deliver those priorities will always lie outside Scotland, too. For every £100 by which expenditure is reduced south of the border through privatisation of the health service—privatisation that was started by Labour—£10 is lost from the Scottish budget.

**Neil Findlay:** Will the cabinet secretary give way?

**Michael Russell:** No.

For every £100 that is removed from public expenditure through privatisation of higher education south of the border, we lose £10. That is the reality. That is the nub of the debate. We can choose to make our decisions in Scotland, to take our responsibilities in Scotland and to have opportunities in Scotland, or we can always dance to someone else's tune.

Malcolm Chisholm wants to see the progress in Scotland that I want to see. I repeat what I said earlier: the SNP has the plan to do that. It puts its confidence—*[Interruption.]* We can hear the Tories laughing; we can always hear the Tories laughing when the people of Scotland want to progress.

Here is the choice: we can say to the people of Scotland, "Take responsibility, and then you will have the opportunity to change this country for the better"; or we can tell them to listen to those who will not accept the reality and who will always keep their fingers crossed that England votes the same way that they do. Those voices will always disappoint and let down the people of Scotland. That has got to stop.

The lesson this afternoon is entirely clear: there is a jobs plan for an independent Scotland, there is a finance plan for an independent Scotland, there is a currency plan for an independent Scotland and there is a plan to make an independent Scotland the country that it could and should be. The people who stand in the way of that are this unholy alliance between Labour and the Tories.

**The Presiding Officer:** You need to finish, cabinet secretary.

**Michael Russell:** They are the people who have plenty of ambition for their political parties and none for their country. *[Applause.]*

**The Presiding Officer:** Order.

That concludes the debate on the economic opportunities of independence.

Before we come to decision time, I am sure that members will wish to join me in welcoming to the

gallery His Excellency Dr Peter Ammon, the ambassador of the Federal Republic of Germany.  
[Applause.]

## Decision Time

17:00

**The Presiding Officer (Tricia Marwick):** There are three questions to be put as a result of today's business. The first question is, that amendment S4M-10769.1.1, in the name of Gavin Brown, which seeks to amend amendment S4M-10769.1, in the name of Iain Gray, on the economic opportunities of independence, be agreed to. Are we agreed?

**Members:** No.

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

### For

Baillie, Jackie (Dumbarton) (Lab)  
Baxter, Jayne (Mid Scotland and Fife) (Lab)  
Beamish, Claudia (South Scotland) (Lab)  
Bibby, Neil (West Scotland) (Lab)  
Boyack, Sarah (Lothian) (Lab)  
Brown, Gavin (Lothian) (Con)  
Buchanan, Cameron (Lothian) (Con)  
Carlaw, Jackson (West Scotland) (Con)  
Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)  
Findlay, Neil (Lothian) (Lab)  
Fraser, Murdo (Mid Scotland and Fife) (Con)  
Grant, Rhoda (Highlands and Islands) (Lab)  
Gray, Iain (East Lothian) (Lab)  
Henry, Hugh (Renfrewshire South) (Lab)  
Hilton, Cara (Dunfermline) (Lab)  
Hume, Jim (South Scotland) (LD)  
Johnstone, Alex (North East Scotland) (Con)  
Kelly, James (Rutherglen) (Lab)  
Lamont, Johann (Glasgow Pollak) (Lab)  
Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
Macintosh, Ken (Eastwood) (Lab)  
Marra, Jenny (North East Scotland) (Lab)  
Martin, Paul (Glasgow Provan) (Lab)  
McArthur, Liam (Orkney Islands) (LD)  
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)  
Milne, Nanette (North East Scotland) (Con)  
Mitchell, Margaret (Central Scotland) (Con)  
Murray, Elaine (Dumfriesshire) (Lab)  
Pearson, Graeme (South Scotland) (Lab)  
Pentland, John (Motherwell and Wishaw) (Lab)  
Rennie, Willie (Mid Scotland and Fife) (LD)  
Rowley, Alex (Cowdenbeath) (Lab)  
Scanlon, Mary (Highlands and Islands) (Con)  
Scott, Tavish (Shetland Islands) (LD)  
Smith, Drew (Glasgow) (Lab)  
Smith, Elaine (Coatbridge and Chryston) (Lab)  
Smith, Liz (Mid Scotland and Fife) (Con)  
Stewart, David (Highlands and Islands) (Lab)

### Against

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



Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (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)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (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, Gordon (Edinburgh Pentlands) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 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)  
 McMillan, Stuart (West Scotland) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (Ind)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 45, Against 63, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that amendment S4M-10769.1, in the name of Iain Gray, which seeks to amend motion S4M-10769, in the name of John Swinney, on the economic

opportunities of independence, be agreed to. Are we agreed?

**Members:** No.

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

**For**

Baillie, Jackie (Dumbarton) (Lab)  
 Baxter, Jayne (Mid Scotland and Fife) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Buchanan, Cameron (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hilton, Cara (Dunfermline) (Lab)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kelly, James (Rutherglen) (Lab)  
 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)  
 McArthur, Liam (Orkney Islands) (LD)  
 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)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Rowley, Alex (Cowdenbeath) (Lab)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Scott, Tavish (Shetland Islands) (LD)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)

**Against**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Allard, Christian (North East Scotland) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (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)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (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, Gordon (Edinburgh Pentlands) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 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)  
 McMillan, Stuart (West Scotland) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (Ind)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 46, Against 63, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The last question is, that motion S4M-10769, in the name of John Swinney, on the economic opportunities of independence, 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)  
 Allard, Christian (North East Scotland) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)

Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (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)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (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, Gordon (Edinburgh Pentlands) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 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)  
 McMillan, Stuart (West Scotland) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (Ind)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**Against**

Baillie, Jackie (Dumbarton) (Lab)  
 Baxter, Jayne (Mid Scotland and Fife) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Buchanan, Cameron (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)

Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hilton, Cara (Dunfermline) (Lab)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kelly, James (Rutherglen) (Lab)  
 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)  
 McArthur, Liam (Orkney Islands) (LD)  
 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)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Rowley, Alex (Cowdenbeath) (Lab)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Scott, Tavish (Shetland Islands) (LD)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)

**The Presiding Officer:** The result of the division is: For 63, Against 46, Abstentions 0.

*Motion agreed to,*

That the Parliament agrees that Scotland can be a successful independent country and that, while Scotland is among the wealthiest nations in the world, levels of inequality are too high; recognises the improvements in Scotland's economic performance that have resulted from transferring limited powers to the Scottish Parliament, and believes that this demonstrates that decisions about Scotland's economy are best made in Scotland by the people of Scotland and that independence presents new opportunities to build a more secure economy because for the first time ever Scotland will have the job-creating powers and an economic policy that will put Scotland first.

## Gaza

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

The final item of business today is a members' business debate on motion S4M-10675, in the name of Drew Smith, on Gaza. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament regrets and unreservedly repudiates the ongoing violence and loss of human life in Gaza and Israel, which, according to journalists running risks to their own safety to report from the area, stood, as at 28 July 2014, at more than 1,000 Palestinian deaths and 45 Israelis; considers that the continuation of violence will further escalate the already severe and enduring humanitarian catastrophe in the densely populated Gaza Strip; believes that the number of Palestinian civilian fatalities, including many women and children, indicates a disproportionate action by the Israeli military; condemns both indiscriminate rocket attacks and military bombardment of civilians and believes that hospitals and schools, in particular, should be places of safety and therefore also condemns attacks on them or their use to store or fire weapons; confirms its view that the continuation of the Israeli-Palestinian conflict is rooted in the continued failure to achieve a political solution to a problem that cannot be solved by violence; supports the comments made by the United Nations Secretary-General, Ban Ki-moon, on 24 July, who has described the situation as an "intolerable, unacceptable crisis" and agrees with him that it is imperative for the killing to stop; notes calls for the international community to fully use its influence to break the cycle of failed talks, continuing occupation and outbreaks of violence that threaten the prospect of a two-state solution by renewed and robust efforts to broker peace and justice in the region with the objectives, amongst others, of an immediate interim ceasefire, a long-term plan to prevent further violence, efforts to aid the necessary rebuilding of Palestinian civilian infrastructure, including the importation of vital humanitarian supplies into Gaza, and crucially a process that can finally lead to the creation of a viable Palestinian state alongside a secure Israel in accordance with previous UN resolutions, and notes calls for the UK Government to support these objectives and to prohibit the supply of equipment or parts of equipment that are likely to be used against civilians and for the Scottish Government to do all that it can in support of the same and to foster and maintain good community relations between all religious and ethnic groups who have their home in Glasgow and across Scotland and who, in common with people around the world, wish to see a settlement that respects the right of all human beings, irrespective of religion or race, to live in peace with both dignity and security.

17:05

**Drew Smith (Glasgow) (Lab):** I am grateful to all those members who signed my motion. I hope that the range of views that no doubt exists in the Parliament will have the opportunity of an airing this evening. In drafting a motion that I hoped as many members as possible could support and which would therefore stand a chance of reaching the chamber for debate, I tried to provide a form of words that would gain the broadest possible support. I hope that this debate will play a small

part in a much-needed effort to assure the victims of this conflict of the greatest possible international coalition for peace and justice in the middle east.

I draw attention to my membership of the cross-party group in the Scottish Parliament on Palestine, of which I have previously been an officer, and I thank the current officers Sandra White, Claudia Beamish and Jim Hume for supporting my motion. I look forward to their contributions to the debate. I also refer members to my entry in the register of members' interests as a former member of the Scottish Trades Union Congress general council, as I will refer to the delegation to Israel and the Occupied Palestinian Territories that I joined while I was a member.

In Scotland, as elsewhere in the world, there are a range of views on the solutions to the problems of the middle east and specifically those of Israel and Palestine. Parliament should reflect those if we wish our voices to be representative of the country and of note to those elsewhere. There are few neutral voices. However, the scale of the current and most recent violence, to which we are all bearing witness, and indeed the length of time for which the conflict has gone on have meant that there is a breadth to the voices that say that the current actions of the Israeli Government have been disproportionate. There are instances of action that require international investigation and indeed an international response that goes beyond simply wishing for talks or for different partners in the cause of peace.

I am a supporter of a Palestinian state. I believe that a viable state for the Palestinians is their right and that it is the duty of progressive voices around the world to advocate for it with resolution, with realism about the barriers to it and with firmness against those who frustrate the two-state solution on either side, whether in principle or by delay.

I believe that the current violence and the humanitarian catastrophe in Gaza is winning new supporters for the cause of justice and peace, not terrorism and not military action. The motion that we are debating condemns the scale of the violence on both sides. I condemn utterly and without caveat the indiscriminate firing of rockets into Israel from Gaza, I condemn tunnelling into Israeli territory from Gaza, and I believe that the fear and danger that they represent serves no purpose other than the prolonging of the conflict, which reduces the likelihood that Israelis will question the actions of their Government, far less become advocates for engagement with their Palestinian neighbours. Correspondingly, the scale of the horror in Gaza does nothing to bolster the voices of those who recognise that a viable Palestinian state can be achieved only alongside a secure Israel and that it will be created through negotiation of land, not violence against civilians.

Peace for one society and normality for individuals and families will not be lasting if it is achieved only for one group. That is not a justification for violence. It is simply recognition that the underlying issues of the conflict continue. I visited northern Israel in the aftermath of operation cast lead and, like many other international visitors, I have been shown the rockets that come over the border from Gaza. I have spoken to Israelis about their fears of attack and I have no doubt that those fears are genuine. I have also spoken to Palestinians and international observers who have told me of the harsh and brutal reality of life under blockade in Gaza.

The images that we now see on our television screens, about which people are taking to our streets to protest, offend the world. Schools and hospitals that the innocent can only hope are places of safety have become a battlefield that is raging on a strip of land that is one of the most densely populated places on earth. Civilians and children have been killed and injured in their thousands.

To those who say that we need to step back from condemnation of the disproportion of the violence because it needs to be understood against the wider politics of the region, the dispute or the history of the peace process, I say that we should imagine being born into the world on the Gaza strip. Imagine the hopelessness of parents as they look at their children and imagine the desperate future that stretches far beyond the tiny horizons that surround them.

I have no doubt that others will use their time to talk about their reactions to what we are watching. The agony is perhaps more profound now than it has ever been before, but the truth is that much of what we will hear in the debate could have been said in any of the three years since I was elected to the Parliament; it has been said in the more than 10 years for which I have been actively involved in campaigns and it has been continually said in the 30 years of my life and long before that.

I hope that others will touch on the injustices that continue on the west bank, where Hamas is not in control, and I have no doubt that others will mention many of the advocates for the Palestinians who have put the case for change in the middle east better than I ever could, including the late Nelson Mandela, Archbishop Tutu and former President Carter.

The truth is that, while the world desperately desires a lasting ceasefire to the current violence, the hope—the necessity—of a two-state solution is fast disappearing before our eyes. The situation is desperate, but the world simply cannot allow hope to die with the children of Gaza.

Time does not allow me to say all that I wish to, but I will end my speech, as the motion does, by urging the Scottish Government to continue its efforts to do all that it can for good community relations in our country. Members of our minority communities feel the pain of this conflict keenly and they deserve our solidarity, just as the innocent civilian victims in the middle east deserve our resolve in speaking out.

When I have asked ordinary Palestinians what Scots can do and what any of us can do as witnesses, I have been told, "Do not forget us. Do not forget that we exist." When those who believe in a two-state solution speak out, that should not be described as support for terrorism, which is condemned by our citizens and by those around the world who believe that there is no violent solution to the political problem that exists in the occupied territories. When we tell our children what the United Nations flag represents, they should be proud of it, not compromised by it.

I hope that the message that goes out from the Scottish Parliament and from the debate is one of humanity. We see what exists and we recognise that it is unjust. The leaders of the world will continue to reflect on the steps that can be taken internationally, but the citizens of the world are making it clear that, in our individual actions, we will protest against bombardment and terrorism until lasting peace prevails and demands for justice are met. *[Applause.]*

**The Deputy Presiding Officer:** We are tight for time and we will need to extend the debate in due course. I ask for speeches of up to three minutes, please.

17:12

**Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab):** I am grateful for the opportunity to speak on the humanitarian disaster that is the unfolding tragedy in Gaza. I am sure that members across the chamber will join me in thanking our colleague Drew Smith for securing the chance for Parliament to debate this most serious and deadly conflict.

According to Amnesty International, since the Israeli military offensive started on 8 July, 1,948 Palestinians have been killed as a direct result of the offensive. The majority—over 85 per cent—were civilians, including 456 children. Three civilians have been killed by rockets or mortars that were fired from Gaza and 64 Israeli soldiers have been killed. Almost 12,000 homes in Gaza have been reduced to rubble. Those are the stark statistics of the bloody and unequal conflict that is being played out in Gaza, which has been graphically captured on our television screens.

Among the destruction that has rained down on the defenceless civilian population of Gaza, it is the fate of the children that is most heart-rending. I will cite the case of 10-year-old Mohamed Badran—one of the hundreds of innocents who have been affected. He was blinded in an Israeli air strike but, at the hospital, he seemed to be unaware that his entire family had been killed when a missile destroyed their home at the Nuseirat refugee camp. Unable to understand his injury, he repeatedly asked staff why they had switched off the lights.

That is just one little boy's awful situation. He has been left blind and orphaned by an indiscriminate attack of the Israeli air force. That is one terrible consequence of a political decision by the present Government in Tel Aviv to wage war not against an opposing army but against a defenceless civilian population—not an act of war but a war crime.

For the avoidance of doubt, let me be crystal clear—I, along with, I am sure, colleagues across the chamber, hold all human life dear. We mourn for the dead, both Palestinian and Israeli. When we criticise the actions of Israel in Gaza, it is not a condemnation of Jews or Judaism; it is a condemnation of the present political establishment in Israel. Of course, the firing of rockets by Hamas must end, but Israel's response goes far beyond defending its borders and population. The life of a Palestinian child is not worth less than the life of an Israeli child.

The situation is primarily the result of the political actions of the Israeli Government. We must do all that we can to bring pressure to bear on that Government to change the course of action that has had such catastrophic consequences for the civilian population of Gaza. There needs to be a negotiated ceasefire that is more permanent than the series of recent 72-hour ceasefires, and the immediate humanitarian effort in Gaza needs to have a real chance to deliver the much-needed emergency supplies of food, water and hygiene kits to those who are in such desperate need. Of course, we must not forget the aid agencies, whose workers risk life and limb to get supplies to the people who need them.

**The Deputy Presiding Officer:** Could you draw to a close, please?

**Patricia Ferguson:** I shall do, Presiding Officer.

Pressure must be brought on the Israeli Government to change its long-term strategy as regards Gaza and the Palestinian people. The United Kingdom Government must not be complicit in breaches of the fourth Geneva convention. We must agree with the STUC's call for

“immediate and comprehensive peace talks and a settlement in the region based on upholding international law including an end to the blockade, illegal settlements and the dismantling of the separation wall.”

**The Deputy Presiding Officer:** In fairness to others, please close.

**Patricia Ferguson:** Our recent history tells us that people do not make peace by talking to their friends. It is time for all of those who are involved to engage in proper dialogue and to bring to an end this on-going tragedy.

17:17

**Sandra White (Glasgow Kelvin) (SNP):** I declare an interest as a member of the cross-party group in the Scottish Parliament on Palestine, and I have visited Gaza and the west bank.

I thank Drew Smith for securing the debate and pay tribute to the millions of people throughout the world—many of them Jewish, by the way—who have marched in support of the people of Gaza and against the killing of innocent civilians by Israel. As Patricia Ferguson said, the death toll among Palestinians from operation protective edge is 1,948 and is rising daily. Most of them are civilians. We face a huge humanitarian crisis, with areas completely destroyed and homes uninhabitable. In fact, the UN has said that the destruction is “unprecedented” and is like nothing the UN has ever seen before.

Schools, hospitals and UN shelters have all been destroyed. There is no power or water and raw sewage is flowing in the streets, all because of the indiscriminate attack by the Israelis. The suffering of the Palestinian people must stop. The people of Gaza have been left with nothing. I saw a quote from a gentleman who had lost his wife and who was left with just the clothes that he stood in, but he said, “Thanks to Allah, I have my six children.” People have nothing left apart from their pride and their great resilience. I really admire them for that resilience.

However, admiration is not enough—action is needed. The Disasters Emergency Committee has launched an appeal and a fund, which is most welcome. I thank the Scottish Government for its actions on medical aid and its call for an arms embargo on Israel. That is the action that I want to see, but I want to raise another issue with the minister. I ask him to consider whether the Scottish Government can do more under the Procurement Reform (Scotland) Act 2014. Under the statutory guidance, which is being considered, could the procurement process allow bodies to take into account whether products, services or businesses come from land that is internationally recognised as illegally occupied, as determined by resolution 446 of the UN Security Council?

Much has been said and will be said about the situation in Gaza. Drew Smith is absolutely right: this is the third horrific attack on the Gazans and the Palestinian people. Gaza is a prison camp. The people of Gaza deserve our support and the people of Palestine deserve their state.

17:20

**Claudia Beamish (South Scotland) (Lab):** I thank Drew Smith for getting the debate so quickly and I strongly support the motion, which I discussed with him before its drafting.

I declare an interest as a co-convenor of the cross-party group in the Scottish Parliament on Palestine, where we all work together in any small way that we can. I apologise to members if I have to leave before the end of the debate because I am hosting an event in the garden lobby.

The immediate response to the trade union, UK-wide and other appeals around the world, along with the demonstrations throughout Scotland and Britain, the flying of flags over many council buildings and the calls for an arms embargo on Israel, which I support, show the grave concern of so many of our people for, and their solidarity with, the people of Palestine.

With the Minister for External Affairs and International Development being here to answer the debate, I highlight the immediate need for medical aid; I recognise the Scottish Government’s initial commitment to that and urge it to do more. Specifically, I ask the minister to clarify how well the national health service initiative is to be resourced and whether the funding includes the cost of the transfer of patients. I also ask him to clarify whether acutely ill children who require life support or only stable elective patients will be transferred out.

As part of the Council for European Palestinian Relations, John Finnie and I went on a parliamentary delegation after operation pillar of defence, as it was called in Israel. On arrival, we joined a vigil with a family whose home had been destroyed, which was only the start of witnessing the disproportionate results of attacks by the Israeli military.

While we were there, we visited a UN school, where children were grateful for our Scottish Parliament pencils when we gave them to a class; they did not have pencils. Most of them live on UN handouts of food and water. Those children’s future is now on hold and has been for generations. We must be saddened most for those who are growing up under a state of siege and who are exposed to the recent bombardment. Theirs is not the first such generation: this has been going on for 60 years.

I will highlight the long-term mental health challenges in the Gaza strip and some of the psychological problems that the besieged population faces. Only last week, research into trauma, post-traumatic stress disorder, anxiety and coping strategies among Palestinian adolescents was written about in *The Arab Journal of Psychiatry*. Is it any wonder that, facing with others in Gaza the shocking imprisonment in the most densely populated place in the world and the deplorable cycle of violence and coping against the odds from day to day in between assaults, many people—young people, in particular—become radicalised?

The lifting of the blockade must be an essential part of negotiations. Pat Sheehan, who is now a member of the Northern Ireland Assembly and was a political prisoner and hunger striker in Northern Ireland, was the leader of our delegation to Gaza. He stressed to the world's press who were assembled to listen to us in Gaza in 2012 that Hamas must be part of the negotiations. I am sure that he is right.

I hope that we can send a collective message from the Parliament. A political solution that involves a Palestinian state while ensuring Israel's own citizens' security is the only solution that will hold firm and bring a chance of life and hope to the children and young people of Gaza and of the Palestinian exiles around the world.

17:23

**Murdo Fraser (Mid Scotland and Fife) (Con):** I congratulate Drew Smith on securing the debate, and I commend him for the balanced and fair tone of his motion and his opening speech.

Our overriding concern must be for the innocent civilians caught up in the strife. As we have heard, the civilian suffering, especially that of the children involved, is appalling and tragic. The Foreign Secretary, Philip Hammond, has rightly called the current situation in Gaza and Israel a humanitarian catastrophe.

Given the rapidly deteriorating situation, the United Kingdom Secretary of State for International Development has made around £12 million available in emergency support, including healthcare, clean water, blankets and cooking equipment, to help the people who are affected by the violence in Gaza. The Department for International Development is also bringing forward £3 million in funding to help the International Committee of the Red Cross respond to the worsening situation.

This is in the context of wider support from DFID, which in the past four years has provided a total of £349 million to support Palestinian development, of which £30 million a year goes

directly to help the people of Gaza and to develop Palestinian institutions and the economy so that a future Palestinian state can be stable and prosperous, and it can live side by side in peace and security with Israel.

In looking at the conflict, we need to remember that the victims are not just in Gaza. There are victims in Gaza and Israel, and Gazan civilians are not the only casualties in the recent spate of rocket attacks. The Israelis are also living with the consequences of the on-going conflict and the Israel defence force estimates that 5 million Israel civilians live within the range of rockets fired from Gaza. The danger in playing the blame game is that it suggests that the fault is all on one side, and I do not believe that that is the case.

I agree that Israel's response has been disproportionate, but let us not be in any doubt that Hamas is a terrorist organisation, one that is vilified by most of the Arab world. While the retaliatory action taken by Israel has had devastating effects on innocent civilians, we cannot ignore the fact that Hamas has been using its own people as human shields and sacrifices to justify firing rockets at Israeli civilians and to increase its own civilian casualties to turn western opinion against Israel. Indeed, it has broken two ceasefires to date. Hamas is putting Gazans in harm's way by using UN schools and hospitals to store rockets and launch attacks.

All of us in the chamber want to see an end to the death of innocents, and we should put pressure on the Israeli Government because of its actions. However, we should not be naive enough to place all the blame at Israel's door when Hamas's aim is to destroy Israel and kill each and every Jew. Our concern should be for the innocents who suffer on all sides, and we should devote all our efforts to assisting them and finding a peaceful and lasting settlement in this troubled part of the world.

17:26

**Malcolm Chisholm (Edinburgh Northern and Leith) (Lab):** I condemn the firing of Hamas rockets into Israel, but it is simply a fact that the greatest recruiting sergeant for Hamas is the scale of Israeli oppression and aggression. The least that can be said about that aggression is that it is disproportionate when we consider the nearly 2,000 Palestinian civilian casualties against the single figure of Israeli civilians.

When we see the images of totally innocent young children and families and people of all ages being maimed, and when we see the kind of weapons that are being used, such as the flechette shells that splinter into a thousand tiny lethal metal darts that go into the skin of children

and others, I like others am forced to used words such as “obscene”, “grotesque”, “indiscriminate” and, in many cases, “illegal”.

Some of the strongest condemnation of the massacre that we have seen has come from Jews themselves. I think of Gerald Kaufman’s words in the House of Commons when he said that his Jewish grandmother was not shot to provide cover for Israelis to murder grandmothers in Gaza. The American Jew Naomi Wolf said that she mourned the “genocide”—it is her word—in Gaza.

What now? Of course, we need a ceasefire and a new deal for Gaza and Palestine that is based on the two-state solution. Israel and Palestine both have the right to a secure future. A starting point must be a commitment to lifting the blockade on Gaza. Following that, there must be a firm promise to cease building illegal settlements, which make a mockery of the 1949 armistice lines. The motion points to the destruction of infrastructure during the conflict, so we must aid the rebuilding of that infrastructure, as well as aiding the importation of vital humanitarian support as Drew Smith points out.

The Scottish Government has said that it will give assistance in the area of health. I ask the minister to tell us in his summing up where that commitment has got to. Concerns have been expressed to me that it is taking too long to help those who we can help with their help. I hope that it might be possible for the Scottish Government to speed up the process and help as many of the severely injured as possible.

Finally, I support a full arms embargo as a means of building pressure towards peace. I also support the boycotting of goods as a means of exerting economic pressure. That is necessary to show in a practical way our disgust at the conduct of the Israeli defence force and the Administration, and to pressurise the Israeli Government into opening channels of engagement with the Palestinians, with a view to a just two-state solution.

17:29

**Jean Urquhart (Highlands and Islands) (Ind):**

I thank Drew Smith for securing this debate. I also thank the 17 members who signed my motion on the crisis, calling for the use of divestment and sanctions to pressurise Israel to bring its illegal occupation of both Gaza and the west bank to an end. I declare an interest as a member of the cross-party group on Palestine.

Another important step towards justice for Palestine is the international recognition of its existence as a sovereign nation. Two years ago, the United Nations general assembly voted overwhelmingly to recognise Palestine as a non-

member observer state. I was proud that the Scottish Government made it clear at that time that, if we had had a vote, Scotland would have voted, like other countries, to recognise Palestine. Instead, Scots are represented—and I use that word reluctantly—by a Westminster Government that put obedience to the White House ahead of that.

During this offensive, the Scottish Government has rightly announced that we are ready and willing to welcome refugees from Gaza, in line with our values and our international duty. However, Scotland stands in the invidious position of having to beg permission to show human compassion. The Minister for External Affairs and International Development could only write to the Home Secretary, and it is my understanding that, after nearly a month, that letter has gone unanswered.

I am really proud that there are so many wishing to speak in this debate, and the compassion and commitment of members across the Parliament cannot be faulted, but I highlight that the reality is that Scotland’s 21st century internationalist values count for little as long as we are represented in the world by a distant Whitehall Government with quite different values.

17:31

**Jim Hume (South Scotland) (LD):** I also congratulate Drew Smith on his motion. This Parliament has a history of action in relation to the situation in the Gaza strip.

Robbie Burns had it right when he wrote that

“Man’s inhumanity to Man  
Makes countless thousands mourn!”

We all mourn—not just here but across the world—for those affected in the middle east today.

We are in the middle of commemorating the centenary of the war to end all wars—the first world war. I wish that it were true that it had ended all wars, but sadly it did not. We have many conflicts now, with airliners shot down in our own continent of Europe and on-going fighting there; the on-going humanitarian crisis in Iraq; and, again, trouble in Gaza and Palestine.

As another of the co-conveners of the cross-party group on Palestine, I have visited Gaza, Palestine and Israel. I have witnessed the difficulties in Gaza—a small area with over 1.5 million inhabitants. The essentials of life—water, medicine, food, fuel and power—were at a critical level before this recent tragedy. They are now beyond critical.

The Egyptian situation has meant that the Rafah gate—the only way in and out of Gaza—is now nearly impossible to get through. Fishing boats are now heavily restricted in the distance that they can



fish off the Gaza coast, and their export market is non-existent.

One of the many things that struck me was the resilience of the Palestinians—the way that they look forward to a better time. I say that they have suffered too much and for too long. Their hope is fading and their right to live peacefully as a civilised nation, as fellow humans, is here and now.

There have been countless UN resolutions, supported by the UK Government, on Palestine and Gaza. It is time for a two-state solution, as others have said, as recommended by the UN. Thousands have died, and there are countless homeless in a land of no real opportunity due to the siege.

The current situation is appalling. I hope for the ceasefire to hold, and I hope that holders of power and influence look to areas such as India, South Africa and even Ireland to see that the only way forward is a peaceful solution.

Today we had the great Mandela's granddaughter lead time for reflection. Perhaps we should remember his peaceful actions and some of his words. He said:

"To be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others."

We need respect for the people of Palestine and Gaza so that they can live their lives in a peaceful manner, with pride and hope for the future. We need everyone to lay down their arms and embrace humanity.

Mandela also said:

"It always seems impossible until it is done."

The Palestinians have been on their long walk to freedom. Let us end that walk and let us end the siege of Gaza.

17:34

**Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP):** I congratulate Drew Smith on securing the debate.

I consider that, because of its bombing of civilians—hardly avoidable in such a crowded area—and in particular because of its bombs landing on UN safe houses, despite it repeatedly receiving information from the UN, Israel is guilty of war crimes. It is a matter for the International Criminal Court, which I raised during last week's topical question time.

Tonight, I want to focus on the other war: the war taking place in the media. There is no doubt that, with anyone with a mobile phone taking footage and with correspondents on the ground

giving 24-hour coverage, world opinion can switch literally at the click of a switch. Therefore, we are shocked and upset by the images of three wee boys killed on a beach as they run from gun fire, of a weeping parent committing a young life to an early grave or of an old lady trapped in the ruins of her home.

What is said by representatives of those who cause these civilian deaths and horrific images—and I will focus on the language of the Israeli high command—has to combat the mantra: "a picture is worth a thousand words". We hear phrases such as "protective edge" instead of "invasion of another's territory". The defence system is called "iron dome"—machismo. When a soldier is captured invading another's territory, it is called "kidnapping" or "abduction" and at the same time that story—those words—hide the truth that he was killed in combat.

We have been here before, with "shock and awe", and look where that took us: the continuing mess made in Iraq. None of this happens by accident. Spokesmen and women are media trained by experts. The word "spin" in itself is a spin on what we used to call propaganda, but propaganda is not such an acceptable term.

Step forward Dr Frank Luntz, expert Republican pollster and political strategist, and his study, commissioned by a group called the Israeli Project. Put short, it is a list of dos and don'ts for Israeli spokesmen. Americans agree that Israel has a right to defensible borders—just do not say what those borders are, certainly not in terms of pre and post-1967.

Much of Dr Luntz's advice is about tone and presentation of the Israeli case. He says that it is absolutely crucial to exude sympathy for the Palestinians. In particular, he says to use the soundbite:

"I particularly want to reach out to Palestinian mothers who have lost their children. No parent should have to bury a child."

A picture, however, is worth a thousand words—spun or unspun. Today I have images of blood-spattered children and exhausted surgeons in a bombed hospital, and an image of a row of Israelis perched on a sofa, with drinks in hand, at a vantage point—all the better to view the bombing of Gaza. You cannot spin those pictures.

**The Deputy Presiding Officer:** Before we continue, I note that a number of members still wish to speak in the debate, so I am minded to accept a motion under rule 8.14.3 to extend the debate by up to 30 minutes.

*Motion moved,*

That, under Rule 8.14.3, the debate be extended by up to 30 minutes.—[*Drew Smith.*]

*Motion agreed to.*

17:38

**Alex Rowley (Cowdenbeath) (Lab):** I thank Drew Smith for securing the debate and I thank the Scottish Government for the actions that it has taken on the issue to date.

To achieve a two-state solution, there has to be political will in Gaza and Israel, but I am not sure that that political will exists at the present time. It is important that this Parliament and Parliaments across Europe have such discussions and debates to consider how we can bring Europe together to put on the pressure that is needed to bring about a long-term sustainable solution to an unacceptable situation that has been on-going for 40-odd years.

I condemn the rockets that come out of Gaza, aimed at Israel. I also condemn the bombs, bullets and missiles that are raining down on innocent men, women and children in Gaza.

We need to speak out very loudly. Save the Children sent members a briefing. It is worth reiterating a point that it makes:

“456 Palestinian children have lost their lives”

in the current conflict, and

“Over two-thirds are 12 years old or younger.”

Where else in the world would that happen; where else is a Government indiscriminately killing innocent children and it is allowed to happen? That is why it is so important that this Parliament speaks out because, regardless of the rights and wrongs of the political conflict, it can never be right in any place in the world for children to be killed in the way that we have been seeing on our television sets. We have to send that message, and send that message loudly and clearly.

I hope that Parliaments across Europe will look at how we can start to come together to do something to try to bring a stop to that unacceptable situation. We also need to consider removing any arms licences that are granted to British companies, because we should be making it clear that not in our name should anything—not a missile, not a bomb, not a bullet—that has been produced in this country be used in this conflict by the Israeli Government. We have to take that action.

Amnesty International has pointed out that last year, the UK sold arms worth £6.3 million to Israel. Not in our name: we must make a united call from this Parliament to stop that.

We also need to consider a UN investigation of whether war crimes have been committed in Gaza by either side. We have to call for that investigation and if it is shown to be the case that

war crimes have been committed, we need to support the UN to take the necessary action to bring those who have committed those war crimes to justice.

It cannot be right in any country—in any place—in the world. If it was happening any place else in the world, we would be speaking out. If we allow it to happen and allow it to continue, the world will be a much worse place. I hope that we unite together, that we see the strength that we can have through Europe and that we work together to bring an end to this.

17:42

**Jim Eadie (Edinburgh Southern) (SNP):** I, too, congratulate Drew Smith on securing this important debate, which allows the Parliament of Scotland to debate the situation that is facing the people of Gaza. I thank all my colleagues from across the chamber for their thoughtful contributions.

There is a growing mood of despair within the Muslim community in this country and throughout the middle east at what is perceived to be the west's indifference to the plight of the Palestinians. The Singapore academic Kishore Mahbubani put it bluntly when he stated:

“In the Western moral calculus the loss of Muslim lives is unimportant”.

That perception should concern us—each and every one of us—as we look on in horror at the events in Gaza.

That perception will have been reinforced in recent weeks, as we have seen the death toll rise inexorably. Western Governments have united in condemnation of Israel's actions, but the US and UK Governments are complicit in the conflict through their supply of arms to Israel. That is why we should all endorse the calls from the Scottish Government and from non-governmental organisations for an arms embargo and the immediate suspension of the sale of arms to Israel.

As we have heard, the people of Gaza are facing a major humanitarian disaster and a public health crisis because of the destruction and contamination of Gaza's water supply. International aid agencies such as Mercy Corps—whose European headquarters is in my constituency—are attempting to provide humanitarian assistance in an environment where the water infrastructure has been destroyed. The people of Gaza are prevented from cooking, flushing toilets or washing their hands. With water running out, the threat of disease is very real.

However, we need to put the events into their proper historical context. As one of the foremost

experts on the Israel-Palestine conflict, Avi Shlaim, has said in relation to the Israeli occupation of the west bank and Gaza post-1967:

"The aim was to establish Greater Israel through permanent political, economic and military control over the Palestinian territories. And the result has been one of the most prolonged and brutal military occupations of modern times."

I do not question Israel's right to live in peace and security with its neighbours and, as others have done, I condemn unequivocally the attacks by Hamas using rockets that have been fired from Gaza into Israel. However, what we have seen is disproportionate use of force by Israel, which has resulted in the loss of civilian lives, especially children's lives. As Patricia Ferguson and Alex Rowley reminded us, 456 children have died.

We have seen breach of article 58 of the Geneva Convention, which states that parties to conflict should

"avoid locating military objectives within or near densely populated areas".

We have also seen probable breaches in relation to article 12, which concerns protection of medical units; of article 15, which concerns protection of civilian, medical and religious personnel; and of article 54, which concerns starvation of civilians as a method of warfare. Article 54 states:

"It is prohibited to attack, destroy or render useless objects indispensable to the survival of the civilian population",

including drinking water installations and supplies.

At the demonstration outside Parliament last week, a constituent of mine told me that she longs for peace, but that there can be no peace without justice. That is why it is important that there be an independent United Nations investigation into possible war crimes on both sides of the conflict, into breaches of the Geneva convention and into breaches of international law. We must have that investigation and we must have justice for the people of Gaza and Palestine.

17:46

**Neil Findlay (Lothian) (Lab):** I thank Drew Smith for securing this debate, and I put on the record my support for the actions of the Scottish Government today. I also put on record the fact that I am a member of the cross-party group on Palestine.

As many have done, I have watched the horror of Gaza unfold on my television screen. As air strikes descended on a small stretch of land that is no bigger than the distance between this chamber and my house in West Lothian, I found it almost impossible to comprehend the damage that is

being caused in an area that hosts a population that is almost a third of the size of Scotland's.

As justification for their actions, the Israelis say that they want to destroy supply tunnels. However, we see the bombing of schools, hospitals and people's homes and businesses. The world is told that Israel wants to defend itself against people whom it calls terrorists, yet we read reports of Israeli aircraft bombing water wells, sanitation systems and power plants. Those are acts of terrorism, too.

A humanitarian disaster is unfolding in front of our eyes, yet the world appears to be unwilling to tackle the aggression that is being meted out by the Netanyahu regime. As Patricia Ferguson said, the life of a Palestinian child is worth no less than the life of an Israeli child—and for each of us who has children, it is worth no less than the life of one of our children, too.

With a tentative ceasefire in operation as indirect talks continue, the international community must be allowed to offer immediate support in order to alleviate suffering. I condemn outright the actions of the Israeli Government, and violence from all sides. I condemn the indiscriminate and deliberate bombing of civilians and acts that many believe constitute war crimes and which are, as Jim Eadie eloquently said, breaches of UN resolutions. I condemn the failure to allow medical supplies, food aid and water through, and I support calls for an arms embargo. No one can bomb their way to a political solution.

Ultimately, the underlying cause of the crisis is political failure—the failure over decades to address the occupation of the west bank, the on-going settlement policy, the continued sanctions and the blockade of the territory. Only when the Palestinian people are able to live and work freely and can be supported to end the poverty that is forced on them, in what has been described as the largest open-air prison in the world, can they begin to rebuild their lives in peace with their neighbours.

Political pressure must be brought to bear on a state that permanently flouts UN resolutions, ignores pleas from humanitarian organisations, commits war crimes and disregards the lives of millions who are held captive in a small part of their homeland.

As Drew Smith's motion states, there is growing recognition that lasting peace cannot come from more violence, and can come about only through the creation of a viable Palestinian state and a secure Israel.

I share the hope of other members that the current talks can lead to a sustained ceasefire, which will restart the process of building lasting peace. I hope that the next time we come to debate Israel and Palestine in this chamber, it is to

welcome a fully recognised Palestinian state, free from an economic blockade and illegal settlements.

17:49

**Alison Johnstone (Lothian) (Green):** Greens across Europe and the world continue to call for a sustained and secure ceasefire in Gaza, for negotiations between Israel and Hamas and for a renewed commitment to on-going peace.

I welcome the Scottish Government's support for an arms embargo and the stronger line of support for the Palestinian people that has been taken by Scottish ministers. I ask that the Minister for External Affairs and International Development continue to strive to ensure that the UK is fully aware of the urgent need for such an embargo, and that it is fully aware of a newspaper article over the weekend that reported the Israeli use of Scots-made laser guidance systems in the conflict.

We can put pressure on the Israeli state through a targeted boycott and disinvestment campaign. We can join the efforts of the international community to pursue a lasting peace. Along with Archbishop Desmond Tutu, the South African activist who fought to end apartheid, we can join a worldwide campaign calling on corporations that are profiting from Israel's occupation of Palestinian territories to pull out their funding. By putting economic pressure on the Israeli Government, Scotland and the UK could play a part in the international effort to control the situation.

When I spoke at Saturday's rally in Edinburgh, it was clear that the strength of feeling among the general public and communities across Scotland on the issue is growing. That is not surprising. In Palestine, 1.8 million people live in an area of 140 square miles. It is one of the most densely populated parts of the globe. The humanitarian crisis is deepening, with 200,000 people displaced and 65,000 homes destroyed. Where will those people return to? The average Palestinian is only 17 years old, so it is no surprise that UNICEF has reported that 400,000 children need immediate psychological help to overcome the trauma that they have experienced during the Israeli onslaught.

Pernille Ironside, the head of UNICEF's Gaza office, also warned that children are at risk of contracting communicable diseases because of the lack of power and sanitation in the blockaded Palestinian territory. Gazans have been left without clean water for weeks.

The Church of Scotland world mission council's report, "Invest in Peace" says:

"As a form of collective punishment, Israel's continuing blockade of Gaza is a flagrant violation of international law."

Despite that, it continues. We must ensure that international laws, including humanitarian laws, are applied.

The blockade and entirely disproportionate military bombardment have led to the destruction that we see, but can hardly contemplate. We have seen the destruction of industry, fishing rights are massively restricted, farming is dangerous and challenging, and schools and hospitals—places that should be sanctuaries—have been hit. I, too, support calls for action on procurement: companies should not benefit, through public contracts, from the Israeli blockade.

Concerns have been expressed by my constituents on the delays in evacuating patients. I would be grateful if the minister could advise what action is being taken to establish a recognised transfer and treatment protocol, in order to save as many lives as possible.

However distant the prospect of achieving peace and justice might be, we must continue to work to achieve that goal, because a just peace in Israel and Palestine could be the catalyst for achieving wider peace in the region and across the world.

17:53

**Cara Hilton (Dunfermline) (Lab):** I thank Drew Smith for securing this timely debate. First, I declare an interest as a member of the cross-party group on Palestine and as a member of the Scottish Palestine solidarity campaign.

Five months ago, we debated the thirsting for justice campaign on water shortages in Gaza. I talked about how the Israeli Government has condemned a whole generation of children to a future that is bleak at the very best. Five months on and, for many of those children, that bleak future is no future at all.

Many families have been literally torn apart or wiped out entirely. Patricia Ferguson's example brought tears to my eyes. We have seen 456 children killed, thousands more who have been injured and 400,000 who face psychological damage. The lives of the children who thought they were safe when they sheltered in a UN school were tragically cut short when they were killed in their sleep by Israeli missiles. The UN warned the Israelis 17 times that that was a UN shelter, yet the Israeli military carried on with that shameful act. Despite the outcry, even from the United States of America, a further five UN shelters have been targeted by the Israeli military.

Children playing football on the beach have been shot at from an Israeli gunship. Children playing on the swings at their play park have been killed by Israeli gunfire. Children have seen

everyone they loved wiped out. In the current assault, the innocent children of Gaza are caught up in a nightmare that they simply cannot escape.

I condemn the violence on all sides, but this is not a conflict that has any balance. This is about a brutal Israeli Government, which is in breach of countless UN resolutions, which is illegally occupying Palestinian land, which is continuing to bulldoze Palestinian homes, and which for seven years has blockaded the people of Gaza from all sides, denying them access to clean water and medical supplies, denying people their human rights and even denying children the right to a childhood.

I was pleased recently to join the 700 people in Kirkcaldy who marched in solidarity with families in Gaza. I am also proud that this week Fife Council is flying the Palestinian flag in solidarity with the families in Gaza who are under attack, because enough is enough. It is not about taking sides; it is about humanity.

As consumers, we have power. When we do our supermarket shop, we should use that power to boycott Israeli goods. In any case, why should we in the UK buy Israeli potatoes when we can buy perfectly good Scottish potatoes from down the road? Consumer power played a huge role in ending the apartheid regime in South Africa, and we can bring about change in Palestine.

It is time for the UK Government to end its virtual silence and use its economic influence to tell Israel that enough is enough. As Alex Rowley said, the UK sold £6.3 million pounds' worth of arms to Israel last year. The revelation that military equipment that was made in Fife might have been used against children in Gaza was certainly a shock to me as a Fife MSP. No company in Fife, Scotland or elsewhere in the UK should be supplying the brutal Israeli Government with arms or military equipment. We need an arms embargo and we need an investigation into why our factories are supplying a country that shows absolutely no respect for international law, human rights and the rights of children.

We need a solution that not only ends the current violence but secures justice for the Palestinian people, with an end to Israel's illegal siege of Gaza and an end to the illegal occupation of Palestinian land. We need a solution whereby people who have committed shameful acts of terror, such as the bombing of schools and hospitals, are held to account for the war crimes that they committed.

Nelson Mandela said:

"We know too well that our freedom is incomplete without the freedom of the Palestinians."

It is time for Scotland and the UK to use our influence to secure justice and freedom for the Palestinian people.

17:57

**John Mason (Glasgow Shettleston) (SNP):** I thank Drew Smith for bringing the subject to the Parliament.

In the current situation, we need to think about what our aim is. Do we want to choose one side and shout loudly for it, or do we want to try and reduce the tension in the Middle East and try to be peacemakers, building relationships with both sides? We must think about that, because if we want to be peacemakers, sanctions or a boycott of one party will not move us in that direction, and nor will flying a flag from Glasgow city chambers.

What is the situation between Israel and Palestine? Israel has some 8 million people and Palestine has only 4 million, so Israel is much bigger. Israel spends \$18 billion on its defences, Palestine clearly spends next to nothing. On the surface of it, Israel looks like the big, strong country, and Palestine or Gaza is the smaller, weaker one. It is clear that there are far more casualties on the Palestinian side, so on the surface of it we should all support Palestine.

Is it as simple as that? Israel might have a population of 8 million, but it is dwarfed by larger players in the region, such as Egypt, with its population of 82 million, and Iran, with 77 million. Israel's defence spending might be \$18 billion, but Saudi Arabia's is \$59 billion. We can see that Israel is a pretty small country that feels threatened by larger neighbours.

International Human Rights Rank Indicator ranks Syria 211th in the world, Saudi Arabia 205th, Iran 166th, Palestine 107th and Israel 71st.

**Sandra White:** Will the member take an intervention?

**John Mason:** I am sorry, I do not have time.

Now, to be ranked 71st might not be great, but it is better than a number of other countries. Are we looking at sanctions or boycotts for every state that is ranked lower than 71st, or is it just Israel that is the target of our criticism? Is there a danger of our changing the balance in the region by stopping supplying Israel while still supplying other countries?

We can and should be ready to challenge any country when it does wrong. In the Bible, God is severely critical of his people, the Jews, when they go off track. We should not blindly support any one country, even our own. However, at the same time we should not blindly oppose any one country.

All that I am asking is whether we are being consistent in the standards that we are setting for Israel and for other countries. We have heard many claims and counterclaims in this situation: Hamas and others accuse Israel of indiscriminate bombing, while Israel accuses Hamas of deliberately firing rockets from civilian sites and deliberately encouraging civilians to gather around targets. Many want the blockade to be lifted and more cement allowed in, but Israel says that that cement is used for the Hamas war effort.

I do not think that any of us here today has the means or ability to weigh up all these claims and counterclaims right now. What we can do is send out a strong message supporting a ceasefire, do all we can to build up relationships with all parties and do our utmost to encourage serious peace talks.

18:00

**Sarah Boyack (Lothian) (Lab):** I join colleagues in thanking Drew Smith for enabling us to have this debate.

Following on from the points that John Mason has just made, I do not think that colleagues in the chamber are setting out to be either for or against Israel or for or against Palestine. Quite a few members have made it clear that people support the two-state solution, in which Palestine and Israel would sit side by side as neighbours, trading with each other and respecting each other's borders.

However, the challenge is that we are as far away from that solution as we have ever been. I visited Gaza 30 years ago on a UN youth visit, and some of the young people I met then will be the mothers and fathers of the children who, as Claudia Beamish has made clear, are now experiencing extreme psychological damage. The contrast between the schools run by the United Nations Relief and Works Agency for Palestine Refugees in the Near East that I saw, which were dynamic and happy places of learning, and the schools that we see on our television screens now could not be more complete. It says it all when experienced journalists and UN officials find it difficult to compose themselves on TV.

What we are seeing is unimaginable to us. It is almost impossible for us to imagine a situation in which one and a half million people do not have regular access to drinking water, in which there are no power supplies and in which there is almost daily bombing. According to the statistics, 58 per cent of young people, 52 per cent of women and 37 per cent of men in Gaza are unemployed. Those families have absolutely no scope to make an income.

In thinking about what we can do, we need to consider the humanitarian support that is being provided. Considering what they have to deal with, the aid agencies are doing heroic work, and we need to do as much as we can as individuals, political representatives and members of our communities to support their fantastic and vital humanitarian work.

However, we must also demand a political solution. The two-state solution requires the two sides to sit and talk to each other. We know that they do not like each other—after all, they are in a conflict situation—but as other members have pointed out we will not get peace without the parties in the conflict sitting down and being prepared to work together. The parties in this conflict will not choose to do that; instead, they will have to be brought to the negotiating table by a world that is determined to make that happen.

The use of economic power and sustained political pressure will help in that, and tonight we can add our own pressure to the process. We can do that through procurement, whether or not that means choosing to buy Palestinian goods where they are still being produced, and we can do the same as citizens by looking to the fair trade movement and shops such as Hadeel that are still sourcing Palestinian-made goods such as olive oil and embroidery. Those are some practical steps that we can take.

However, the bigger picture is, as others have pointed out, all about the use of economic and political power. That power must be used, because this conflict has been going on for decades. Unlike all the other situations that we could talk about—

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

**Sarah Boyack:** In South Africa, for example, things are not perfect, but progress has been made. In Palestine, on the other hand, things are going backwards and the situation in Gaza is appalling. We cannot stand for that, and we must do everything we can to add our voice to the call for a two-state solution and demand that Israel and the Palestinians sit down together. In fact, in April, Fatah and Hamas agreed a solution whereby the Palestinian Authority would work together in Gaza. Surely that is a first step forward, and we must ensure that that happens.

18:04

**Colin Keir (Edinburgh Western) (SNP):** I add my congratulations to Drew Smith on bringing forward this very important debate.

Our television screens are currently dominated by highly disturbing images from Gaza. As Drew

Smith pointed out, Hamas is certainly not blameless in the conflict. I condemn its rocket attacks, but the effect of Israel's operation protective edge has shown how abhorrent and indiscriminate warfare can become.

Amnesty International claims that war crimes have been committed by both sides, but the hammer that is the Israeli military offensive is so scattergun in its approach that the effects are a shock to any person who watches TV or reads media reports. Indeed, some of the images that can be seen on social media are so harrowing that they simply could not be televised.

We keep on being told that we live in an age in which warfare is computerised and targeted. That makes the bombing of UN schools or youngsters who are playing football on a beach all the more disgusting.

Others have pointed out that it is not the first time that Israel has carried out that type of offensive. There is absolutely no moral justification for the actions. It is clear that, if it was a moral war, most of the world would believe that Israel is losing.

Indiscriminate violence against those who cannot defend themselves is simply not acceptable in the modern world. I support the Scottish Government in its calls for a UN investigation to be held and the offer of financial and medical assistance. It will be interesting to see whether there is a mechanism that may allow the International Criminal Court to play a part in future.

Today's Save the Children briefing gives stark figures. It says:

"One in four Palestinians killed since the conflict in Gaza began is a child."

Schools and hospitals are damaged or destroyed, and shelter is now required for around 300,000 people. There must be infrastructure development. That is not easy at the best of times, but it is impossible with missiles falling from the sky.

Robert Turner of the UNRWA said:

"If we want to build something we have to submit a detailed project proposal to Israel with the design, location and a complete bill of quantities. The Israelis then review the proposal, a process that is supposed to take not more than two months but on average takes nearly 20 months."

That is an absolutely silly situation to be in.

International pressure really must be put on Israel to lift the blockade and work tirelessly towards the two-state solution.

Finally, the UK Government must take a stand. Arms sales to and from the UK must stop, along with reciprocal military training arrangements. Not to stop that would make the UK look as morally

bankrupt as those who destroy innocent lives in Gaza and beyond.

18:07

**Ken Macintosh (Eastwood) (Lab):** I, too, thank Drew Smith for the opportunity to take part in this debate. I do not often speak on foreign affairs issues, but I want to make a specific, domestically focused contribution to our discussion.

There is no doubt that the recent violence in Israel and Gaza has touched many people in Scotland, and it is difficult—if not impossible—not to be moved by the suffering that we have witnessed. The conflict not only reflects deep divisions in the middle east; it often polarises opinion in this country, too.

I have been contacted by constituents with strong feelings on both sides of the divide. They are primarily motivated by their own humanity. Although I would wish our response in Scotland to be measured and respectful at all times, many local residents have contacted me to say how upset and hurt they have been by the imbalance and one-sided nature of much of the coverage and response.

As members will know, there is a sizeable and long-established Jewish community in my constituency, and many local residents have family members who live in Israel. As members might imagine, they are more aware than most are of the suffering and violence that ensue in that part of the world.

Jewish Scots are directly affected every time tensions rise in the middle east. Several local people have told me of the abuse that they receive and their fear of simply going out in public wearing a kippa or anything else that marks them out as visibly Jewish. Parents and grandparents with children at Calderwood Lodge primary school have expressed anxiety at their pupils' security and wellbeing. Everyone has the right to protest and express their views, but the Jewish community in the west of Scotland is feeling increasingly let down at a time when it is already feeling vulnerable.

I have received many letters and calls on the issue, but I want to quote from one that I believe captures much of that sense of upset and dismay. It is from a woman who was particularly concerned and anxious about the decision by Glasgow City Council to fly the Palestinian flag. She says:

"As a Scottish and Jewish citizen I feel this decision sends a strong message to the wider community, and will I fear not be the one that is intended by the council. If the Scottish political establishment wish to express hope for peace in the region then they should be opting to fly many more than one flag as a symbol of recognition of all parties affected by conflicts in the area ... I am highly sympathetic

of the Palestinian population's right to a two state solution and to self-governance, and indeed feel that such a solution is paramount."

She goes on to say:

"The current situation whereby anti-Israel sentiment is allowing anti-Semitic behaviour to come to the fore across Europe is frankly highly disturbing. The decisions of Scottish Councils to use a demonstrative action as a means of promoting peace will I fear promote further community division and potentially incite hatred."

She signs herself,

"A frightened mother of two children".

I believe that we want to send out a message that emphasises our common humanity, but I am particularly grateful to Drew Smith for recognising the need for balance in his speech on this emotive and painful issue.

18:11

**John Finnie (Highlands and Islands) (Ind):** I, too, thank Drew Smith for securing the debate and for the well-crafted motion to which other members have referred. I should declare that I am a member of the cross-party group on Palestine and of Amnesty and Oxfam, for whom—as others have done—I thank for their briefings. What the whole affair has cried out for is honest brokers, and such organisations have performed that role.

A number of terms have been repeated throughout the debate, one of which is "disproportionate". I certainly view the actions of the Israeli defence force as disproportionate, but I am concerned that that might suggest that, if there had been less bombing and less abuse hurled at the Gazan population, that would have been acceptable. As other members have done, I am happy to say unreservedly that violence from whatever quarter is unacceptable.

The term "indiscriminate" has been used, too, but I am not sure that Israeli soldiers writing in children's school books in schools that they have destroyed and writing the names of their regiments on classroom walls are anything other than calculated acts. I worry that that is part of a wider contempt for the mere existence of the Gazan community.

The arms industry is pernicious worldwide, and it has been heavily involved in the conflict. The Israeli Government has a wonderful test centre of Gazan guinea pigs or sitting ducks right on its doorstep. It is my view that there are sick minds at play. We do not need new weapons; as my colleague Claudia Beamish said, we do not need so-called smart weapons. We saw at first hand one of the consequences of those so-called smart weapons—the deaths of 11 members of one family in a very confined area. Therefore, I am proud that the Scottish Government has called for

an arms embargo. Like my colleague Cara Hilton, I contrast that with the virtual silence from elsewhere.

I commend my colleague Jean Urquhart's motion, to which Alison Johnstone alluded, which referred to a boycott, disinvestment and sanctions. I think that that is the route that we need to take. Other members have talked about the role of the UN. I welcome the description of events by the secretary general, Ban Ki-moon, as "intolerable" and "unacceptable".

We have heard about the challenges of delivering aid, which are compounded by the dearth of infrastructure that exists in Gaza.

I want to say something in relation to Drew Smith's comments about the Scottish community and what we heard from Mr Macintosh. In my view, a victim is a victim. I do not need to know whether they profess to have a faith or have no faith—I think that a victim is a victim, full stop. I abhor Islamophobia and anti-Semitism, and I commend the work of Jewish communities such as those in Cleveland and Boston in the US, which have been very active, as well as the organisation Codepink.

The motion talks about living in peace with dignity and security. I commend to people who have not already seen it the YouTube clip of Rafeef Ziadah—I hope that I have pronounced her name right—reading her wonderful poem, "We teach life, sir". There is a line in it that goes, "Every day we wake up and we teach life."

Life will be intolerable for the citizens of Gaza if the blockade is maintained. The International Committee of the Red Cross and the UN have said that it is illegal. We must end that blockade now, and we must renew our efforts to ensure that there is a lasting peace and a two-state solution.

**The Deputy Presiding Officer:** I call James Dornan to speak, after which we will move to the closing speech from the minister.

18:14

**James Dornan (Glasgow Cathcart) (SNP):** I had not initially intended to speak in this debate, but I feel that I should.

I had the privilege of speaking at a demonstration in Buchanan Street about four weeks ago at which the strength of feeling about this horrendous issue was overwhelming. What was very positive was that people who were not going to the demo but passing it and shopping in Buchanan Street were very sympathetic to what was going on at the demo.

I do not usually take part in demos—that is just not the sort of politician that I have been—but the



sights that I had seen on social media in the week running up to it broke my heart and made me feel that I had to take part in that demo, which meant more than any almost any other one.

I take Ken Macintosh's point about people feeling worried because of imbalance—I will come back to the issue of imbalance in a minute—but I do not know anybody in my circles or in this chamber who has said that this has got anything to do with people being Jewish. Nobody in this chamber has said that this has got anything to do with Israel's right to self-defence. What it has got to do with is Israel's completely indiscriminate and disproportionate attack on the people of Gaza.

Anybody who could look at the photos and films that we have seen would see children with half their heads missing and other horrendous sights—I saw when Patricia Ferguson was speaking that she was visibly upset about what she was having to talk about, and I think that that is how most of us feel. This debate is not an attack on any community; as a matter of fact, it is us trying to safeguard a particular community, which in this case is the people of Gaza.

There are wrongs taking place there. Nobody supports Hamas. I have not heard anybody come out and support Hamas, the rocket firing or the tunnels, as many other members have said in the debate. However, let us get things in proportion. Bombing schools and hospitals and targeting utilities is not the actions of a reasonable Government. Those are not the actions that Israel should be taking. If Israel is serious about wanting to live in peace with its neighbours, it is certainly going the wrong way about it. What I would ask Israel to do is lift the blockade.

In an earlier motion that I lodged, I asked the minister to look at how the Scottish Government could have an embargo on trading with the illegal settlements. They should not be there and we should not be encouraging them in any way. I think that an embargo could go some way towards sending a message that we here in Scotland support and stand by the people of Gaza and Palestine.

18:17

**The Minister for External Affairs and International Development (Humza Yousaf):** It is customary to thank the member who has brought the debate to the chamber and, of course, I do that. I also thank him for securing cross-party support for the motion. However, I can say on behalf of the Government and possibly on behalf of the chamber that this is a debate that we would rather not be having.

Across the chamber, the tone of what has been a very difficult and quite rightly emotional debate

has been exemplary; I think that we have done well in that regard. It has often been said that conflict is in our nature. In the pages of history, humanity has never had a time without some sort of conflict. However, I believe that empathy is also very much a part of our human nature. Even the hardest and coldest hearts cannot fail to be moved by the scenes of devastation and destruction that we have seen unfolding in the Gaza strip.

Members across the chamber have mentioned the statistics—of course, there is a story behind every single one. Almost 2,000 Gazans have been killed and the UN suspects that the vast majority of them have been civilian deaths; 458 children have been killed; 1.5 million people have no or very limited access to water; 200,000 people in the Gaza strip are in need of emergency food aid; over 65,000 people have been made homeless; the health system is on the verge of complete and utter collapse, with 24 health facilities either damaged or facing acute shortages of medicine.

The Scottish Government cannot and will not stand idly by while this takes place. We must be proactive and unequivocal in the messages that we deliver. Of course we condemn all violence. Every single member who has stood up has condemned all the violence and the Scottish Government joins them in that. Make no mistake about it: rockets that are fired into Israel are wrong. They are designed to injure and to kill indiscriminately. This Government says that they must stop, and must stop now. Everybody agrees, of course, that Israel has a right to live in security and safety. However, it must be widely recognised and stated on the record that the Israeli Government's response has been utterly and completely disproportionate and it must be condemned in the strongest possible manner for that. Those who fail to condemn it—there are some on these islands who have failed to condemn it—are doing themselves, but also humanity, an injustice. A provocation—and yes, there is provocation—does not relieve one of accountability for how one chooses to respond.

We all believe that an immediate and long-term ceasefire is needed. We have seen a ceasefire extend beyond the 72-hour period and we all hope that it extends into a long-term ceasefire. We need those who are firing rockets into Israel to put down their weapons immediately and the Israeli Government to cease its fire, but we must also consider the inhumanity of the situation and ensure that a ceasefire, though it is important in terms of dropping and stopping the weapon fire, means that the blockade is lifted. Gaza is, as some have said, an open-air prison. Those are not my words but the words of the Prime Minister, David Cameron, in 2010. It is an open-air prison and it is collective punishment.

Although powers over foreign affairs are by and large reserved to the UK Government, the Scottish Government has been decisive in its action. I will try to respond to some of the questions that members asked in the debate. We have donated £500,000 to the UNRWA flash appeal for shelter and medicine. It is important that we did that. Although we do not have a ring-fenced budget for emergency aid, we cannot stand idly by. I urge people to continue to donate. The DEC has launched an appeal and people can find more information on how to donate on its website.

One of the first offers that we made was of medical assistance and opening up our hospitals for medical treatment. Some members mentioned that they have been contacted about a delay. The Scottish Government had a teleconference last week with the director of Medical Aid for Palestinians in Gaza. We told him about the specialisms that we have in Scotland, but we also heard about the priorities of cases in Gaza. The next step is for the consultants on the ground in Gaza to give us a list of their priority cases that they need to be treated. However, make no mistake about it—the Scottish Government faces exactly the same obstacles as anybody else. There is an illegal and inhumane blockade of Gaza and we are experiencing difficulty in bringing people to Scotland.

That said, I have received a letter from the Prime Minister in response to the First Minister's letter on the situation and, at the end of his letter, the Prime Minister says that the UK intends also to offer its hospitals, as we called on it to do, to treat the injured of Gaza. He was aware of the offer from Scottish hospitals. I therefore hope that, logistically, we will have some assistance from the UK Government. I assure all members in the chamber that we are doing our utmost to treat those injured in Gaza, where and when we can do so.

The UK Government must bring more urgency to its actions. The First Minister called for that in his letter to the Prime Minister. Unfortunately, the UK has been painfully silent and too stagnant in its actions. I spoke to Baroness Warsi on the night when she chose to leave the Government, which would have been a painfully difficult decision for her. I commended her on her actions but agreed with her entirely that the UK Government's position on Gaza has been painfully silent and indefensible. If it cannot be stronger on the issue, then at the very least we urge that the UK and all of us should not be complicit in any of the atrocities that are taking place in the Gaza strip. That is why we called for an immediate arms embargo.

The UN has said that there is a strong possibility that international law has been violated. Ban Ki-

moon, after the shelling of the UN shelter in Rafah, said that that was a moral outrage and a criminal act. There must be an embargo. Cara Hilton was right to raise the point about the plant in Fife. Make no mistake about it: whether that company is Scottish, English, Northern Irish or Welsh, we believe that there should be a complete arms embargo, and it is disgraceful that profit is being put above compassion.

Sandra White, Alison Johnstone and other members asked us to look at the Procurement Reform (Scotland) Act 2014. I know that that campaign has gone to the Deputy First Minister, who is looking at it and is exploring what can be done in relation to illegal settlements. It should be put very much on the record that the UK Government's guidance does not encourage or support trade with illegal settlements.

I will address a point that Ken Macintosh and others made. If the Jewish community in Glasgow feels that it is perhaps the victim of anti-Semitism because of the rising tensions in the middle east, I assure it that the Scottish Government will stand with it. Any anti-Semitism is to be absolutely abhorred. I spoke to the Lord Advocate about the issue this morning and I give the assurance that I will speak to him again, so that we continue to monitor the situation.

I will end with a story. Sometimes, we get caught up in statistics and forget that there is a story behind every statistic. This is not about being pro-Israeli or pro-Palestinian; at its base, it is about being pro-humanitarian. I urge everybody to read the story, if they can, of a mother by the name of Wejdan Shammalla who moved back to Khān Yūnis in the Gaza strip. We have to hear her story to believe it. She has three children and she asks all of us to think of our own children, our nieces and nephews or our grandchildren and imagine that we have three of them. Every night before she goes to sleep, she must ask herself whether all three children should sleep in her bed with her and her husband so that, if a rocket hits the house, they will all die together as a family, or whether she should split the children—as she does some nights; would we do that in her situation?—and have two with her and one with her husband so that, if a missile hits, perhaps some of them will survive. If someone has to split up their children, how do they choose which children to put in which room? No parent and no individual should have to make such a choice.

The Scottish Government calls for the immediate lifting of the blockade. The solution should be political, not military. Settlements are illegal and should be removed. We support the two-state solution. Israel has of course a right to safety and security, but at the heart of the injustice

over the decades has been the utter denial of a viable Palestinian state.

Above and beyond the politics is the humanitarian. The Scottish Government stands and unites with every member across the chamber to say that children are not terrorists, whether they are playing on a beach, feeding pigeons or sleeping in a UN shelter. Innocent civilians must never be targeted.

That is why we call for an immediate UN investigation into the killing of civilians, so that those who have possibly been violating international law feel the full force of international justice.

*Meeting closed at 18:28.*



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