

MEETING OF THE PARLIAMENT

Thursday 6 April 2000

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Scottish Parliament

Thursday 6 April 2000

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

Public Services

The Presiding Officer (Sir David Steel): Our first item of business is a Scottish National party debate on motion S1M-736, in the name of Andrew Wilson, on financing public services, and amendments to that motion.

09:30

Andrew Wilson (Central Scotland) (SNP): Good morning, on a glorious Edinburgh spring morning. The emptiness of the Government benches probably reflects less on the motion than it does on the social event that was enjoyed by the Labour and Liberal Democrat parties last night.

However—and turning to the future of the country—I would like to say that this is an attempt to have a positive debate as we look forward to the first anniversary of the first election campaign of this Parliament. We hope that most people will agree with Ron Davies, the much-missed Secretary of State for Wales, who coined the phrase that devolution is a “process, not an event”. This debate is an attempt to get members from all parties in the chamber to sign up to the fact that our Parliament is not an end but a beginning. We can look forward to having greater scope and greater responsibility. In Wales, believe it or not, Assembly members refer to each other quite openly as either processors or eventists—it is all very evangelical. They have a specific view of the way in which the Welsh Assembly must move on, and I suggest that we should take the same view here.

My view, as expressed in the motion, is that the current financial settlement for the Parliament is unsustainable; it hampers public choice; it reduces democratic accountability and fiscal responsibility; and—most important of all—it lacks a proper ability to finance valued public services. At present, we do not have the normal tools of a normal country at our disposal to deliver on the people’s priorities—priorities that every one of us, I have no doubt, would like to deliver on. Our budget is handed down in total from Westminster. Even the supposed role of the Secretary of State for Scotland is limited, because he does not sit on the crucial EDX sub-committee—the Ministerial Committee on Public Expenditure—of the Cabinet, which discusses the allocation of expenditure.

Arid debates in the chamber about the allocation of pieces of a set cake are futile. Normal countries talk about allocating the nation’s wealth, not about allocating a fixed sum. We should be talking about the most efficient way in which we can make our economy grow, remove poverty and inequality, and use all the tools at our disposal to do so. We should not simply be spending our time arguing about how we should rob Peter to pay Paul.

It is a nonsense that local authorities have 10 times the responsibility over fiscal matters that we have in this Parliament. It is a nonsense that does not afflict any other normal country in Europe, nor, indeed, all the devolved legislatures in Europe that were held up as such great examples by the Labour party before the devolution referendum.

We are talking about taking Scotland towards normality. We want it to go all the way towards full normal status, but to those who are romantically wedded to the idea of Westminster, I say fair do’s—they can still argue for that, but they can also argue for greater fiscal autonomy in the context in which we find ourselves.

The Barnett squeeze is a phrase with which I bore for Scotland. However, that squeeze is critical in the debate.

Mike Watson (Glasgow Cathcart) (Lab): I would like to confirm that Mr Wilson does indeed bore for Scotland on that point. Will he comment on a letter that I received from Professor Arthur Midwinter, relating to Mr Wilson’s comments in a debate in the chamber on 10 February? Professor Midwinter writes:

“Mr Wilson claimed that I had ‘concluded that our per capita share of UK spending will fall by 0.5 percentage points’ . . . What I actually wrote . . . was that ‘these figures provide no evidence of a spending squeeze in practice’, and that ‘Scotland’s share of the UK budget would remain broadly stable.’”

Would Mr Wilson like to clarify his position?

Andrew Wilson: If Professor Midwinter was ever misrepresented, I would retract. If the member reads on in the *Official Report*, he will see that I was very surprised to read in the paper that Professor Midwinter had said such a thing. He, of course, is the only member of the Scottish academic community who does not agree with the existence of the Barnett squeeze.

Mike Watson: But Andrew Wilson quoted him.

Andrew Wilson: I will move on—I have covered Mike Watson’s point.

The key issue to be considered—and Mike Watson should know this—is that the Barnett squeeze is converging spending-per-head levels at an accelerating rate. The Chancellor of the Exchequer made a clear commitment on health—to increase UK spending above inflation by an

average of 6.1 per cent. Why is it sensible that the Scottish equivalent figure for total health spending will be 4.9 per cent? Why is health spending rising more quickly in the rest of the UK, when there is no evidence that health services and standards are improving faster in Scotland? It is an arid and mechanistic formula that takes no account of our ability to pay, our needs or public choice. The Barnett formula is mechanistic, undemocratic and does not work.

There is a wider issue—the Barnett formula ties us into the policy prescriptions of English departments. If the health service in the rest of the UK were to choose to implement direct service charging—as is its right—that would directly affect our budget. Charges for visits to GPs or eye tests would have an effect on the Scottish budget, irrespective of the choice of the Scottish public on that question. That is an argument raised by another academic, Professor David Bell.

The water industry is another case in point—it was privatised in England, remains public in Scotland and the funds have been taken out of the Barnett formula. At the extreme, if education or health is privatised in any way in the rest of the UK, our budget will suffer. That position is not sustainable; it is not normal and takes no account of public choice. Such a constraint is damaging to Scotland.

The result of all that has been demonstrated by the growth in private finance initiatives. We are currently the PFI capital of the UK. According to the new draft expenditure plans published by Mr McConnell, in the past two years, PFI has grown from a massive 17 per cent of all public capital works to 34 per cent this year. More than one third of public capital works in Scotland are financed through PFI. Furthermore, 44 per cent of all capital spend by private sector bidders in the UK is taking place in Scotland. That is because of the Barnett formula and the current structure. According to an answer that I received from Mr McConnell, the total cost of PFI over the next 30 years is just under £8 billion. That is what the Scottish budget will give to PFI contracts over the next 30 years. We find ourselves in a disgracefully difficult and damaging situation.

That need not happen. To say that that is the only route is simply dishonest. We can operate within the golden rule set by the chancellor and within the Maastricht criteria; significant funding is available within current budgets and prudence to deliver much more. The chancellor has admitted that over the next five years he will have a budget surplus of £60 billion. According to the Treasury's estimates, £22 billion of that will come from North sea revenues. The surplus over the prudent constraints of the Maastricht deficit of 3 per cent of gross domestic product is £136 billion over those

five years. Scotland's crude share of that total is approximately £2,400 for every person in the country.

We need not fall for the nonsense that PFI is the only show in town because we cannot afford anything else—that is simply not true. The only reason why the war chest is not being spent is inflationary fears that do not afflict the Scottish economy. We would not be going through the same constraints if we had normal powers of a normal country.

Looking around Europe, we can see what normal countries do with the normal powers at their disposal. It is a question of public choice. We are not arguing for specific policies; we are arguing for options. The Conservatives could use the powers to argue for lower tax. We would argue—as I am sure many members would—for investment in public services using honest taxation and investment.

In Finland, Mija Perho, the Minister of Social Affairs and Health, has taken pensions up to 66 per cent of Finnish average earnings, compared with 45 per cent in the UK. In his latest budget, the Swedish finance minister, Peter Lagerblad, invested £1.8 billion of new money in local government. During the same time that that investment is taking place in Sweden, council budgets are being cut by a cumulative £2.4 billion in Scotland. Investment in local government or divestment in local government—those are the opportunities before us.

In Denmark, the Finance Minister, Mogens Lykketoft, has revealed that in one year, lower corporation tax has brought in an extra £42 million to the Treasury of a country that is the same size as Scotland. In Norway, the oil fund is worth £23 billion. It has similar oil production levels to Scotland. The Labour Minister of Petroleum and Energy, Olav Akselsen, is using that to make a significant and on-going contribution to Norway's just and progressive benefits and pension system. Those are the opportunities that we would have as a normal country, with a normal standard of living in a normal context in Europe. Those are our choices if we regard devolution as a process, not as an event, and look forward to where we can take this chamber. If such an approach is okay for Sweden, Norway, Denmark, Finland and other countries, why not for Scotland?

Even if—unlike the free-thinkers in the SNP—members are wedded to the unnecessary layer of bureaucracy that is Westminster, they could seek greater responsibility in that context. Every other devolved legislature in Europe—even the so-called models in Spain and Germany that Labour was so keen to mention during the referendum—has greater fiscal responsibility than this Parliament. In Flanders, where the Government is

the equivalent of a Labour-Liberal-SNP coalition—which might seem a strange idea—the Flemish Parliament has 10 times the financial responsibility of the Scottish Parliament and can also borrow. The Government in the Basque Country has complete fiscal autonomy, paying the Cupo quota—which is the equivalent of a subvention to Westminster—to Madrid for central services. The Basque Government has lower rates of income tax for low earners, higher rates for top earners and lower corporation tax than the rest of Spain. Perhaps we could consider such a mix in Scotland.

The Governments in Catalonia and Bavaria have greater powers than this Parliament, and I should tell the Conservatives that the provincial Government in the Alto Adige or South Tyrol region of Italy has 10 times the tax powers that we have and has used those powers to cut tax. We have no such opportunity beyond a very minor tax-varying power. I simply ask all the devolutionists who still want to be part of the UK: if such fiscal responsibility is okay for those devolved regions, why not for Scotland?

Another issue that throws the financial constraints on the Parliament into sharp relief is the financing method for the Holyrood project. We must move the debate on from the issue of the site itself to how we pay for the building. First, it is absurd that of every £3 that we spend on the project, £1 will be lost from the Scottish budget and recycled to the Westminster Treasury in tax. VAT will account for £25 million; corporation tax will account for nearly £3 million; and £30 million will be spent on income taxes and national insurance. That is before we consider other taxes such as fuel tax and landfill tax. If we had the normal fiscal powers of a normal country—or even fiscal autonomy—that money would be retained in the Scottish budget and not lost to Westminster.

Robert Brown (Glasgow) (LD): Would Andrew Wilson apply the same principle to projects south of the border such as the dome, where the VAT contribution dwarfs the VAT contribution from the Holyrood project?

Andrew Wilson: If Mr Brown checks the facts, he will find that the dome is meant to be a national institution and investment; the Holyrood project is being financed from a fixed Scottish budget. I would be delighted if the people of London had raised the money for the dome themselves; I would love them to have fiscal autonomy. However, I am arguing for fiscal responsibility for the Scottish Parliament.

I would not risk quoting the Presiding Officer directly, so I will say that on “Newsnight” last night senior MSPs were talking about the frustration felt in many parts of the Scottish Parliamentary Corporate Body about the method of financing

Holyrood and the need to pay for a Parliament that is supposed to last 200 years. Why should the project funding come out of only two or three years’ money? If we had normal borrowing powers, we could borrow the money and pay it back over a long period. I suggest that Mr Kenneth Macintosh—whom I briefly heard on the radio in his role as the Executive’s chief back-bench spin-doctor—check the following fact with the advisers at the back of the chamber: if the interest rate on 30-year gilts is less than the public sector discount rate, the net present value of such borrowing is less than the capital cost. According to actuarial advice that I have received, the net present value saving to the Scottish budget from borrowing on a 30-year bond would be £40 million. Regardless of whether members agree with the facts, the key point is that we would not have to take money out of education and health to pay for a project that will last 200 years. We cannot do that within the current powers of the Parliament, unless we use off-balance sheet finance.

The Minister for Finance (Mr Jack McConnell): I presume from Mr Wilson’s proposal that he now supports the private finance initiative. We could borrow such money without it counting against the Scottish Executive’s assigned budget only if it was off balance sheet, and the only way to do that is through a version of PFI. Mr Wilson seems to have had a radical conversion on this issue. However, I find it astonishing that he proposes to borrow money instead of paying for the project in cash; such a measure would lead only to higher costs for the Parliament.

Andrew Wilson: If he listened carefully to what we were saying, the minister would see that we are saying exactly the opposite. I am suggesting that if we were a normal country, we could borrow ourselves. That is why countries borrow. Is the minister suggesting that no country should borrow?

Mr McConnell: Answer the question.

Andrew Wilson: I am suggesting that if we had normal powers, we could get through this situation, as the Presiding Officer has argued. I am arguing from an autonomous position.

Mr McConnell: On or off the balance sheet?

Andrew Wilson: I am suggesting that funding should be on the balance sheet. Normal countries should be able to borrow. However, within the restrictions of devolution, funding could be taken off the balance sheet using a cheap public sector bond, which would be cheaper than the private finance initiative. That is the mechanism that is proposed in London and used in Holland for water and in New York for the underground.

I am arguing, not for private finance, but for normal public finance for the Scottish Parliament,

borrowed over 30 years in the normal way, which is perfectly sensible. It is absolute nonsense that the Parliament has no borrowing powers. The situation cannot be sustained. I share the frustrations of Scottish Parliamentary Corporate Body members. This is not the way to finance a 100-year project. I look forward with interest to hearing Mr McConnell justify the position.

My argument is best summed up in the following quotation:

"I think the answer"—

for this Parliament—

"lies in us considering full fiscal freedom for the Scottish Parliament, under which it would raise and spend all its own taxes, with a just contribution for the services we still receive from London".

That was not me, nor any nat, but Brian Monteith quoted a year ago in *The Herald*.

I also agree with the contention of Labour and the Liberal Democrats in the Scottish Constitutional Convention document "Towards Scotland's Parliament", published in 1989—coincidentally, the year after I joined the Scottish National party—which says:

"The Parliament certainly could be funded by the allocation of a block grant from Westminster".

The document goes on to say about that system:

"It would be a minimalist approach that is neither radical in concept nor conducive to accountability as it would mean that the Parliament would be more accountable to Westminster than the Scottish people and would be even less financially independent than local authorities".

However, that is the situation in which we now find ourselves.

The document concludes:

"The conclusion therefore, suggests that the greater access to sources of revenue given to the Scottish Parliament the greater the freedom of action it will have and the more acceptable it will be to the Scottish people".

I agree. That is what we propose—in line with Brian Monteith's quotation from last year and with the position of the constitutional convention.

Mr McConnell's amendment smacks of self-congratulation rather than of concern for public services. It is not the people's priority to see council taxes rise and services cut; to see less of our nation's wealth invested in public services than at any point in recent history; nor to constrain and restrict Scotland's Parliament. The priority must be to make the Parliament grow.

To Mr Johnston, I say, "Play a new tune." Barnett does not enhance; it damages. Look beyond the confines of the UK to what is normal in Europe. Mr Johnston's amendment is a 19th-century amendment to a 21st-century motion. He should think big and think better, because there

are no limits to what we can do with this Parliament.

To everyone who is interested in the good government of Scotland—I am sure that everyone here today is—I say that we have the opportunity to be part of the process of making the Parliament grow. Where individuals choose to stop and jump off is up to them, but we should all at least agree that we are part of a process, not an event.

For me and my colleagues, the target is for Scotland to be a normal country in the wider Europe—like Ireland, Denmark and Sweden. It should be no better, but certainly no worse. Other people may have other targets, but they should at least sign up to grow, because that is what the debate is all about.

I move,

That the Parliament expresses its concern at the level of resources allocated to Scotland by Westminster which takes no account of the requirements of Scottish public services, the level of revenues raised in Scotland or of the priorities of the Scottish people; notes in particular that health expenditure is rising faster in the rest of the UK than in Scotland despite the fact that there is no evidence of relative improvement in health standards in Scotland; observes that the latest polling evidence suggests that more than two thirds of Scots want greater powers for the Parliament, and therefore calls upon the Scottish Executive to bring forward proposals for a fairer, more fiscally responsible and more democratically accountable system of funding Scottish public services that allows the Scottish people, through the Scottish Parliament, to make the key choices about the share of the nation's wealth that should be allocated to public services.

09:48

The Minister for Finance (Mr Jack McConnell): We have travelled a long way in the 12 months since the election campaign that Mr Wilson mentioned at the beginning of his speech. Three issues marked the debate on economic policy during the election campaign. One was the private finance initiative, which the Scottish National party chose as the subject of its first debate on financial matters in the new Parliament. We have heard very little from the SNP about it since, presumably because it recognises that the figure of 34 per cent represents investment in Scotland's schools, hospitals and water infrastructure, which—although Andrew Wilson may think that it is disgraceful—is welcomed across Scotland by local communities and by those who will benefit from the improved water supply, better health services and better schools that will result.

The election campaign was also marked by an entertaining episode at a press conference, when the nationalists had a problem in being accurate about the fiscal deficit that is in place between Scotland and the rest of the United Kingdom. I

remember that Andrew Wilson had his calculator out, trying to make an accurate calculation, and failed to do so.

The other issue was the penny for Scotland, about which we heard nothing this morning. Therefore, in a year, we have managed to move away from the penny for Scotland, which is presumably not now a central part of the nationalists' financial policy.

Andrew Wilson: That is not true.

Mr McConnell: It was not mentioned in Andrew Wilson's 18-minute speech this morning, so presumably it has gone.

We have moved away from a recognition of the fiscal deficit—there was no attempt to counter that argument this morning—and there is recognition of the substantial investment in public services through public-private partnerships. Andrew Wilson may feel that they are disgraceful, but I believe that they are particularly important for Scotland.

This morning's debate comes at an important time, when the Executive's decisions and the UK chancellor's announcements have led us to the highest ever public expenditure in Scotland, and to the highest ever—a record level in real terms—investment in Scotland's public services. There is a record amount of investment in education at all levels, and in health. Health investment is about to be increased even more dramatically, with a £34 per head increase in Scotland, the same as in England and Wales. There is a record level of investment in transport, as we renew, improve and return investment in roads in particular, following the decimation of the road programme and of public transport in general during the final years of the previous Conservative Government.

Investments in new, specific initiatives in Scotland, including the Drug Enforcement Agency and the domestic violence fund, have been critically important, and have been a direct result of the actions of this Parliament in its first 12 months.

Compare that—not mentioned at any point in Andrew Wilson's 18 minutes—with the endless day-after-day, week-after-week spending commitments of the nationalist party and, occasionally, of the Conservatives. I note that Mr Wilson is now quoting Mr Brian Monteith in particular as his economic authority on a weekly basis. Those commitments, on education, health, transport, local government, housing—

Fiona Hyslop (Lothians) (SNP): Name them.

Mr McConnell: I named some of them last week, and I am happy—

Fiona Hyslop: Will Mr McConnell give way?

Mr McConnell: No, but I am happy to name them. There have been commitments on railway lines, business rates, local government, housing, education and health.

Andrew Wilson: Will Mr McConnell give way?

Mr McConnell: No—Andrew Wilson was not keen to take interventions himself.

The SNP's endless commitments, made week after week in the chamber, do nothing for the process of good debate in the chamber, or for good government here in Scotland.

The outputs from our spending are just as important as the inputs. Expenditure may be at a record level, but what we spend the money on is just as important. Until we get away from the endless argument about figures and about our relationship with England, and start to deal with our own budget and expenditure, and with getting maximum value from that, we as a Parliament are not dealing with the budgetary process properly.

I urge members, particularly those on the nationalist benches, to move on from this debate and, through committee meetings over the next few months, actually to debate what we spend the money on, rather than try to play with figures and distort the overall picture week after week.

Andrew Wilson: I suspect that there is more to unite us on this debate than Mr McConnell thinks. We want to do that exactly. I agree that we have to move on and consider normal budgets.

Can the minister comment on the time when he was a leading figure on Stirling Council? He had greater scope for manoeuvre than this Scottish Parliament does. Why does no other Parliament in Europe have the same constraints as we do? Can he comment on why every other devolved legislature in Europe has more power than we do?

Mr McConnell: I will return to that point at the end of my main remarks.

Andrew Wilson began this debate, and has put ideas—apparently—on the table for us to discuss. The two main ones appear to be, first, that we should not pay tax on the Holyrood building or, secondly, that paying tax to the UK Exchequer, from which Scotland benefits directly, is somehow a bad thing for the Holyrood building or for any other project in Scotland. I fundamentally disagree with such a proposition.

It is important that we pay our taxes and that we recognise that what we get back from the UK Exchequer is significantly more than what we put in. It is recognised by every sensible rational academic study that we benefit from our relationship with the rest of the UK, and that there is a structural fiscal deficit. Andrew Wilson himself

admitted that during the election campaign last year.

Andrew Wilson: No, I did not.

Mr McConnell: To suggest otherwise now is deceitful and dishonest. To suggest that we can borrow on the public balance sheet—as Andrew Wilson just admitted is his intention—to pay for the Holyrood building, and that that would not count against the Scottish budget, is also dishonest—it is simply not true.

The only way in which borrowing for the Scottish Parliament would not count against the Scottish budget is if that money were taken off the balance sheet and the project was turned into some sort of private finance initiative. If that is what the SNP is proposing, it should say so. If it is not what it is proposing, it should be more honest and admit that borrowing will not free up any resources and will end up costing us more than conventional cash means would.

It is important to consider the matter in the wider context of our relationship with the UK and the benefits that we receive economically from that relationship. The SNP does not like the Barnett formula because it ties us into the UK arrangement that delivers benefits to Scotland. The Barnett formula delivers for Scotland the same per capita increase in public expenditure that England gets. That is a vital and reassuring point for the people of Scotland in the post-devolution age. Not only does the statement of funding policy allow us to get that increase; it allows us to go to the UK reserve for money. As Mr Finnie will outline in a statement this afternoon, last Thursday, we received far more than the Barnett formula would have given us for agriculture.

Even within the statement of funding policy, Scotland benefits time and again from our relationship with the rest of the UK. It is time that the SNP recognised that. We should concentrate on how we spend the money that we get, rather than on numbers games that distort the position in a dishonest way.

Fiona Hyslop: The Barnett squeeze has an adverse effect on public sector pay. Could the minister tell me whether the settlement for public sector workers in Scotland will be more or less than for public sector workers in England? I understand that, because of the Barnett squeeze's impact on the budget, the settlement in Scotland will be far less. Public sector workers in Scotland will be paying for the problems caused by the public sector cuts in the minister's budget.

Mr McConnell: The Executive has made a firm and fair decision that, in the early years of the devolved settlement, we will follow the same pay policy for the civil service in Scotland as is

followed in England. That will translate into our policy for local government.

If Mr Gibson were here, he would be able to confirm that, in recent discussions with the Convention of Scottish Local Authorities, we agreed to put the issue of local authority pay on the agenda and have discussions in Scotland about how to ensure that our financial relationship with local authorities allows them to deliver the services that they want to deliver with a flexibility and targeting that are vital. In the election campaign last year, the SNP said that it could deliver higher efficiency savings in the Scottish budget than any other party in the chamber. If the SNP's position today is that that is not the case, it has gone back on its promises of 12 months ago.

We must recognise Scotland's deficit in relation to the rest of the United Kingdom and we must bear that in mind when considering the issue of separating Scotland from the rest of the UK, which is what Mr Wilson was advocating this morning when he was talking about having an entirely separate tax system for Scotland. He tells us that this Parliament needs more powers to tax and to spend, but we must ask him which taxes he is talking about. Which taxes would go up? Will he tell us in advance, or is he asking us to buy a pig in a poke?

Andrew Wilson *rose*—

Mr McConnell: I will not accept an intervention as Mr Wilson should listen to this point. This Parliament can directly influence only two taxes: income tax, which the SNP was keen to increase at the election last year and is less keen to increase now, and council tax. The people of Scotland should be worried by the fact that, in councils across Scotland, nationalist groups have been proposing greater council tax increases than Labour groups. Which taxes does Mr Wilson want control over? Which taxes would he put up? Corporation tax or other business taxes? Income tax? VAT? Petrol duty? Whisky duty? Perhaps Mr Neil will tell us, as he might be leader of the SNP at the time when those questions are answered.

Alex Neil (Central Scotland) (SNP): Is it not true that an English parish council has more fiscal power than this Parliament? Unlike this Parliament, an English parish council can borrow and has no cap on its taxation powers. Is it not a disgrace that the Scottish Parliament has less fiscal power than an English parish council?

Mr McConnell: The people of Scotland voted for this Parliament, after a campaign during which the SNP recommended that they vote yes. However, the SNP has done nothing but dispute its status ever since.

Alex Neil: I ask Mr McConnell to answer the question. Yes or no?

Mr McConnell: This is the SNP's debate: it wanted to have a debate on public finance in Scotland, and it should answer the questions on its own policies. Which taxes does it want this Parliament to have control over? Which taxes would it put up, to raise the money that it is talking about? Do SNP members admit that there is a fiscal deficit of around £4 billion in Scotland, compared with the rest of the UK? Which taxes would go up to pay for that fiscal deficit?

Andrew Wilson: Will the minister give way?

Mr McConnell: Mr Wilson has had one intervention, which is plenty. He refused me a second.

The SNP will wind up this debate, and I invite it to answer those questions in the winding-up speech. I hope that, for the first time, those questions will be answered.

This morning, we heard that inflation is not a problem in Scotland. I find that a surprising statement from someone who is standing in a Parliament in Edinburgh, where house prices are rocketing and inflation clearly is a potential problem. There are regional differences in Scotland, as there are throughout the UK. However, across the piece the SNP's policies represent irresponsibility in taxation, fiscal policy and spending commitments. The attitude of SNP members in particular is irresponsible, as they are playing games with Scotland's future and doing their party, and this Parliament, no service whatever.

There would be other costs if an attempt was made to create a separate Scotland. What about the other economic impacts that would be created by the resulting instability? What about the social costs that would result from separating families, and from dividing a shared history and a shared future? What about that deficit? What about that gap in Scotland's public funding? Would it be paid for by increased taxes or cuts in public expenditure? What about the increased costs of armies, systems and bureaucracies that a separate Scotland would create?

Those are the fundamental questions that, in a debate on public finance that is sponsored by the Scottish National party, must be answered in the chamber. I hope that, at some point this morning, they will be.

I move amendment S1M-736.1, to leave out from "expresses its concern" to end and insert:

"welcomes and supports the investment by the Scottish Executive in education, health and other vital services, matching the people's priorities with prudent costed expenditure plans, and endorses the additional funding of £288 million for 2000-01 announced by the Minister for Finance last week."

10:03

Mr David Davidson (North-East Scotland) (Con): A moment ago, there was a comment about parish councils. I was once the treasurer of an English parish council and received national media coverage for the fact that I put the penny rate down. Because of good management, we did not have to keep on borrowing. I mention that as an aside.

Alex Neil: Mr Davidson had more power.

Mr Davidson: Let us return to the subject in hand.

Once again, we have heard the litany of SNP demands for an ever-increasing share of UK resources to be directed into public services in Scotland. Not once did Mr Wilson call for better management or more focused prioritisation, to turn public investment into delivered services. Scotland expects public services to be accessible, accountable and affordable. That means a fair distribution of key services throughout Scotland, which are delivered locally in a way that will ensure real accountability of the decision makers and value for money.

Andrew Wilson talked about taxation. The money should not be used to reduce taxation; it should be invested. Does he not understand how incentives are created, or what that would mean for those who invest in our businesses?

Andrew Wilson: Will Mr Davidson give way?

Mr Davidson: No. Mr Wilson did not allow me to intervene during his speech.

The SNP never does anything to encourage those who create wealth, whom we should hold on to in Scotland. The fact that the SNP will talk Scotland down as a place in which to invest is a risk.

Andrew Wilson *rose—*

Mr Davidson: Having considered the SNP motion in detail, I have several questions that I would be happy for the SNP to answer at the end of this debate—I trust that my questions will be answered.

The motion should not address

"concern at the level of resources allocated to Scotland by Westminster"

but rather how the Executive uses those resources.

The motion also talks about

"the requirements of Scottish public services".

Is that for the benefit of those who run public services or for the benefit of those who rely on or work in them? Mr Wilson's party still believes that nationalisation is a cure-all; even the Labour party

recognises that it is not and has moved on.

The SNP motion talks about

“the level of revenues raised in Scotland”.

I presume that that is an attack on Gordon Brown’s continual use of stealth taxes, which severely damages the Scottish economy’s ability to grow. The motion goes on to state that

“there is no evidence of relative improvement in health standards in Scotland”.

That must be far more to do with the Labour Government’s failure to manage the NHS in Scotland over the past three years than with the amount of money that has been spent. For example, in 1996-97, the Conservative Government spent some £500 million less than is budgeted for the coming year yet we now suffer increasing waiting times for treatment, an ever-increasing number of blocked beds, and health trusts are unable to balance their budgets. Today, we hear about unclean facilities caused by a lack of staff, and there is a general lack of morale across the NHS work force. Money is not everything, but money without management produces nothing more than waste.

The SNP’s motion calls for more fiscal responsibility. Does that mean that the SNP thinks that Scots should pay more tax, that council taxes should rise even more and that our businesses should be thrown to the mercy of local authorities, to be treated as cash cows? Does that mean that the motorist—and the essential motorist in particular—is doomed to ever-increasing taxation and charges?

When first I read the motion, I thought it contained a hint of Alex Salmond’s recent U-turn on independence as the basis of the SNP manifesto, but then I realised that it had nothing to do with that at all. In the motion, the separatists show their fascination with old-style centralist control. They want everything to be channelled through an outmoded system of services available only from the state or, even worse, from a series of local politburos fully staffed by their people.

Andrew Wilson: I am grateful to Mr Davidson for taking an intervention. The motion argues that people should have a choice. If the Conservatives want to argue for lower tax—just as the SNP argued for lower corporation tax—they would be able to do so and the Scottish people would be able to make a choice that, at present, they do not have the opportunity to make.

Mr Davidson: That is exactly what we will argue for, come the general election in a couple of years’ time.

The SNP’s putting the mad scramble for independence on the back burner and entering

whole-heartedly into the effort to make this Parliament work would be welcome. I recognise the SNP’s unease, because new Labour and its Liberal lobby fodder continue to ignore the new politics that they continually preach, but it is incumbent on the rest of us to try to make the Parliament work.

I was interested to hear Jack McConnell mention local authorities and the Convention of Scottish Local Authorities a few minutes ago. I will compare what the Conservatives did in two areas in 1996-97 with what Mr McConnell proposes to do in the coming year. We put £38 million more into local authority capital account and approximately £400 million more into local authority current account. I hope that Councillor Murray and his COSLA contacts will meet Mr McConnell soon and that they will remind him of those figures, which are real-terms figures based on 1998-99 prices. All that was accomplished under the Barnett formula. I say to Andrew Wilson that this is not about the amount of money that is available—it is about how that money is used.

I will turn briefly to the Labour amendment, because that is really all the attention it deserves. New Labour has again adopted a back-patting posture that is aimed at boosting the confidence of Labour back benchers but probably causes deep unrest in the Liberal ranks. The amendment fails to mention the constant Liberal claim for credit for the coalition’s investment in education and health. I am sure that George Lyon will address that point in a minute.

Despite the Executive’s much vaunted claims of expenditure in education, three years on, teaching staff remain disillusioned. Nothing has been done—

Dr Richard Simpson (Ochil) (Lab): Could Mr Davidson elaborate on the word “remain”?

Mr Davidson: I am sorry; I missed Dr Simpson’s point.

Dr Simpson: Mr Davidson said that members of the teaching profession remain disillusioned. Does that mean that, when his party left power, they were totally disillusioned?

Mr Davidson: They are now under Labour control. The previous Government was, in fact, a Labour Government run from the Scottish Office. Dr Simpson needs to catch up a bit here.

I will not go on at length about the problems of the health service, but I will point out that many of the Galbraith reforms have done nothing but add to bureaucracy at great cost and remove much-needed resources from patient and staff services.

I hope that the Conservative amendment will receive support from the other unionist parties in the chamber. The Barnett formula is based on the

ratio of Scotland's population to that of England. The Barnett squeeze that Mr Wilson regularly punts is diluted by the mere fact that the population in Scotland is decreasing, which is not accounted for in the formula.

Alex Neil: Will Mr Davidson give way?

Mr Davidson: Over the years, under successive Governments, Scotland has enjoyed greater per capita spending, thanks to the Barnett formula, which recognises some of the difficulties that Scotland faces in areas such as health. I admit that there is not a lot of difference in law and order or in culture and sport, but there is a large difference in agriculture, fisheries, food and housing, which are areas of major relative importance to Scotland. In health and education, our two biggest programmes, spending is 19 per cent and 26 per cent respectively above UK levels. In the last 10 years of the Conservative Government, Scottish expenditure per head was probably around 30 per cent greater than that in England.

The SNP never acknowledges that the block applies to only 56 per cent of identifiable expenditure, which tends to mean that the SNP overstates its case. After 18 years of prudent Conservative economic management, controlled expenditure and low inflation, the formula that applies to changes had little to bite on.

Fiona Hyslop: Will Mr Davidson give way?

Mr Davidson: I am coming to the end of my speech. I do not think that I have time to accept an intervention, have I, Sir David?

The Presiding Officer: No, you have not.

Mr Davidson: We have had discussions about Brian Ashcroft and Arthur Midwinter, but Arthur states quite clearly how fair the formula has been for Scotland. It is a basis for stability in our future relationships. He also flags up clearly the fact that the formula removes an annual round of bitter dispute between different parts of the UK. If that is the main thrust of the Barnett formula, it is to be welcomed.

If the SNP were allowed to take Scotland out of the United Kingdom, how would it manage in terms of the Maastricht treaty on economic and monetary union? I ask the SNP to explain how it will achieve the 3 per cent figure it claims it can achieve, without raising taxation—which is what Mr Wilson seemed to suggest. At the same time, the SNP wants to improve services. Will it build into the calculation all the demands that have been made by SNP members since the Parliament was established?

I supported Andrew Wilson's call in the Finance Committee for an inquiry into Barnett, if only to demonstrate how well it has worked in Scotland

and why it should continue. Will the SNP agree that William Hague's public statement to defend Scotland's budget and higher per capita spending is the best route to achieving a strong Scotland in a stable United Kingdom, and that improvement in our public services can readily be attained by utilising better the skills and resources of the private sector?

I move amendment S1M-736.2, to leave out from "expresses its concern" to end and insert:

"recognises that the application of the block mechanism and Barnett formula by successive governments has enabled Scotland to develop high standards of public services and recognises that further improvements in public services in Scotland will be best achieved through sustaining our partnership within the economic, monetary and political union of the United Kingdom."

10:13

George Lyon (Argyll and Bute) (LD): Listening to Mr Wilson and his SNP colleagues, I hear the same old constitutional debate over and over again. He seems to know something that the rest of us have missed. It seems that there is enough money out there to pay for absolutely everything in Scotland, but the wicked people down south are not letting us have it all, and all Scotland needs, of course, is separation from England; then, every political initiative will be paid for automatically. I am sorry, but the reality of life is not like that.

The reality is that being part of government means that we must budget and use the available resources responsibly. Let us not forget the facts. The resources for public spending here in Scotland are 20 per cent higher per head of population than they are in the rest of the UK. That is a substantial difference and a substantial advantage to people in Scotland.

The Executive is using resources well. It is staying within its budget—something the SNP will never understand—in the face of the substantive growth it has achieved in public investment, health, education, rural affairs and many other areas. The SNP's only response is to fall back on its all-too-familiar debating techniques. They are the same five techniques that lie behind every utterance of SNP members in this Parliament, and they can be ticked off one by one whenever an SNP member speaks: ignore what has been achieved by the Executive; complain that it is not enough; blame someone else—usually the English; and promise the world. The SNP has promised £2.5 billion of spending, but the figure rises every time SNP members take part in debates.

Andrew Wilson said that the current Barnett formula is not sustainable. I suggest that the SNP's current spending pledges are utterly unsustainable. It is the economics of "Alice in

Wonderland", or Alex in wonderland.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Does George Lyon think that it is in the interests of his constituents in Argyll that Westminster has increased fuel duty four times since 1997? Has that been good for Scotland?

George Lyon: As Fergus Ewing well knows, we are opposed to the fuel price escalator, but what the constituents of Argyll are especially pleased about is the huge increase in education spending that has taken place and the increase in health spending that is about to come over the next three years.

Mr Davidson: Will George Lyon now take on the Labour part of the coalition, which fails to mention the role that the Liberal Democrats claim to have played in securing that extra funding?

George Lyon: I will come to that. Wait your time.

The fifth technique used in SNP speeches is that on no account should a sense of fiscal responsibility be allowed to get in the way of economic policy. Those five principles sum up the SNP's approach and underlie today's motion.

The principle of responsible economics seemed to be understood by the SNP during the election campaign. A document that is not well aired these days is the SNP manifesto for that election. For old times' sake, I dusted off a copy and had a look at it in preparation for this debate. It makes interesting reading. It talked about something called the Holyrood project—perhaps not the happiest of names for an SNP policy paper in light of more recent events. According to the manifesto, the SNP wanted to cut 2.5 per cent off every non-pay budget in Scotland.

Nicola Sturgeon (Glasgow) (SNP): Will the member take an intervention?

George Lyon: I have taken two already. I am moving on.

That policy is a far cry from the SNP's policies these days. Now, it wants to increase spending on everything under the sun. The manifesto is a far cry from Andrew Wilson's spendonomics: at the last count, the spending pledges totalled more than £2.5 billion of extra spending—which, of course, would require an extra 10p on income tax to fund it.

The Holyrood project was from a different era. The SNP's finance guru then was John Swinney, who at least seemed to understand the basic principles of responsible economics. The aim of the Holyrood project was to make cuts.

As a Liberal Democrat, I am all for making savings in some areas so that we can invest in public services. The Executive is doing that every

day. If it had gained power, what would the SNP have had to cut to make those savings? Every budget would have been cut by 2.5 per cent: housing; agriculture; roads and maintenance; railway grants; student bursaries; police, fire and ambulance; and flu vaccines. Those would have been the real cuts implemented by the SNP if its Holyrood project, on which every SNP member was elected, had been implemented—and they have the nerve to attack this Administration's record of public investment after what we have delivered.

Andrew Wilson *rose*—

George Lyon: I am going to move on, because I have only a couple of minutes left.

The Scottish Executive has presided over considerable growth in the three priority areas for the Liberal Democrats: health, education and, of course, rural Scotland. On health, we have delivered £43 million so far. Spending on health is significantly higher per head of population—18 per cent, or £150 per person—than it is in the rest of the UK. It is untrue—it is lies—to say otherwise.

We delivered on education.

Fiona Hyslop: I am tempted to ask when George Lyon expects to get the promotion for which he is obviously auditioning.

Does Mr Lyon agree that because of the Barnett squeeze, health spending will be increased by 4.9 per cent in Scotland, compared with 6.1 per cent throughout the UK and 6.3 per cent in England? Is not that evidence that Scotland is not getting a fair share because of the Barnett squeeze?

George Lyon: As Fiona Hyslop knows, spending on health in Scotland is £150 per head—18 per cent—higher than it is in the rest of the UK. After next year's increase it will still be £150, or 18 per cent, higher than it is in the rest of the UK. The people of Scotland benefit from the Barnett formula because it delivers 18 per cent extra spending on health per head of population. That is a fact—not spin.

We have also delivered on education. We have delivered £50 million extra for schools and £50 million towards the abolition of tuition fees and the introduction of grants. I was pleased to hear that it was confirmed yesterday in the Enterprise and Lifelong Learning Committee that the cheque has already been sent that will pay for the abolition of tuition fees this year. That should be welcomed by everybody in Scotland.

As announced after the UK budget last year, £32 million of budget money was sent straight to our schools. There has also been a real-terms increase of 4 per cent in education spending through money that the Executive has sent to education via local authorities.

On rural affairs, there has already been one £40 million aid package—that is 20 per cent of the UK's total aid package—and another £40 million package was announced last week.

Those are real achievements for the Executive and real achievements for the Liberal Democrats in the Executive. The SNP has got it wrong again. Before the election we heard, "Cut, cut, cut." Since the election we have heard, "Spend, spend, spend." The SNP has tried—and failed—with both.

It is pretty rich to hear the SNP claiming that the Executive lacks fiscal responsibility. It is wrong. It needs to go back to the drawing board. I support the amendment in the name of Jack McConnell.

10:23

Alex Neil (Central Scotland) (SNP): I would like to remind Parliament of Mr Lyon's prediction during last year's election. He said that Scotland would be independent within 10 years. At least he has got something right in the past 12 months.

I find the kail-yard mentality that has been demonstrated by the three right-wing unionist British parties utterly depressing. The SNP is not interested in cheap debating points about a penny here or a penny there—what is important is Scotland's potential.

The other parties tell us that we are subsidy junkies. They say that if it was not for our attachment to London and the largesse that came from 18 years of Tory government and has continued to come from a right-wing Tory Labour Government for the past three years, Scotland would be bankrupt.

Why, if Scotland is such a subsidy junkie, does not the Government privatise Scotland, which is what it has done to every other subsidy junkie in the past 20 years? I will tell members why—it is because Scotland is a net contributor to the UK Treasury. We must examine Scotland's potential vis-à-vis our current situation.

Robert Brown: Will the member give way?

Alex Neil: I will give way in a moment.

We are in an ironic position. We are one of the wealthiest nations in Europe—and not only in terms of oil, although Scotland is western Europe's biggest producer of oil. We produce 30 per cent of Europe's natural gas. Scotland is one of the best food producers in Europe and one of the greatest centres of the electronics industry. Our universities are among the best in the world. By any measure, Scotland is potentially a very wealthy nation.

Why is one of the potentially wealthiest nations in Europe one of the poorest nations in Europe? The Executive compares our education and health expenditure with that in England. Why not look at

what is happening in the rest of the European Union? Expenditure per head on health and education in Denmark, Norway and Austria—in every other small country in Europe—far exceeds that in Scotland. Consider the potential that we have as a small nation.

George Lyon: Which level of spending is the SNP saying it would spend on health and education in a separate Scotland? Would it be the same level as in Finland, or in Sweden or in Denmark?

Alex Neil: The SNP's ambition is to raise Scotland to the European average and then above the European average. We are not prepared to settle for second or third best.

Mr McConnell *rose—*

Alex Neil: I will let Jack McConnell intervene in a minute.

I will take the oil revenue as one example. Over the next five years, we are going to have—

Robert Brown *rose—*

Mr McConnell *rose—*

Alex Neil: I will let Robert in first.

Robert Brown: Is the present fiscal deficit—there is one—based on the price of oil? Will Alex Neil accept that if the price of oil goes down there is a fiscal deficit and if it goes up there is a fiscal surplus, beyond a certain cut-off point?

Alex Neil: I do not accept that there is a structural deficit between Scotland and the UK Treasury. If I were a unionist, I would be ashamed to argue that there is such a deficit: if there is one, under unionist management, they have mismanaged Scotland's wealth. They are admitting that over the past 30 or 40 years, when we have had massive oil revenues—we now have massive revenues from gas and all the other things that I have mentioned—they have so mismanaged resources that we have a structural deficit.

Mr Davidson: Will Alex Neil give way?

Alex Neil: Of course.

The Presiding Officer: You should be winding up.

Mr Davidson: One of the famous professors the SNP regularly uses in relation to oil stated recently that Scotland, even under the SNP rules, has only 40 per cent of the gas deposits in the UK, which I must tell Andrew Wilson is the growth factor.

Upon which price per barrel over the next 25 years is the SNP budgeting?

Alex Neil: The official UK forecast for oil revenues over the next five years is £20 billion; I

am prepared to accept Gordon Brown's assumptions. If we had 85 per cent of that—as we would be entitled to—we could start to raise the levels of investment in education, housing and health in Scotland to European levels.

This is a constitutional issue, because until we change the constitutional relationship between Scotland and England—and between Scotland and Europe—Scotland, which is potentially the wealthiest nation in Europe, will continue to be one of the poorest nations in Europe thanks to mismanagement by the three right-wing British unionist parties, which have been so miserable in their contributions to this debate.

The Presiding Officer: I should have said that the standard speaking time is four minutes.

The two debates this morning are SNP debates and there is time pressure on the second one, which is shorter. If we overrun on the first debate, the second debate will be tiny.

10:29

Janis Hughes (Glasgow Rutherglen) (Lab): I will keep my remarks short to make up for Alex Neil's overspill—[*Laughter.*—]—welcome as it was, Alex.

The motion is unhelpful in its intentions, inaccurate in its assertions and designed simply to create further divisions between this Parliament and Westminster. I am sorry to say that despite all the hopes of new politics emerging in the Scottish Parliament, the SNP continues to act in a divisive and troublemaking way.

It can be difficult to argue with the SNP's published pledges on public spending because it has published only three detailed spending plans in the past three years. It is particularly difficult to take its claims about the Executive's public spending seriously. The Labour party knows about being in opposition—we spent many long years in opposition. It is all too easy to oppose everything the Government says or does. To be taken seriously by the electorate, a political party has to offer credible, costed, alternative policies. The SNP has failed to do that.

Nicola Sturgeon: Will Janis Hughes point out where on the credit-card-sized pledge card that the Labour party campaigned on at the most recent election there are any detailed, costed spending plans?

Janis Hughes: I do not think a small pledge card is the place to publish detailed plans. The manifesto—

Dr Simpson: The SNP's plans could be written on a credit card.

Janis Hughes: Exactly—and I do not remember

seeing that.

I am sure Nicola Sturgeon has read our manifesto and is aware of the detailed spending plans in it.

Alex Neil *rose*—

Janis Hughes: I will carry on.

Instead of the approach I have described, the SNP sends out its spokespeople to call for more money on every issue that arises. We have discussed that already. SNP members make promises on various issues without thinking about the cost implications. They appear unable to recognise that irresponsible spending in one area means less spending in another.

The Barnett formula, which is criticised by Andrew Wilson and his colleagues, provides a good deal for Scotland. It provides a stability that we could not guarantee in the utopia of an independent Scotland; it is a more stable basis for the economy than oil prices, which are subject to fluctuation. I will not go into all the inconsistencies in the SNP's spending pledges because the recess is only seven hours away, but its pledges have been dwarfed by Labour's spending. As the Minister for Finance said, we have not heard about the "penny for Scotland" campaign today. Perhaps we could be told whether it still exists.

Bruce Crawford (Mid Scotland and Fife) (SNP) *rose*—

Janis Hughes: No—I will carry on.

The SNP has pledged less than £90 million on health spending over the next three years. That is insignificant in comparison to Labour's commitments. Mr Wilson's claim that we have inadequate health expenditure in Scotland compared with the rest of the UK is inaccurate. Spending on health per head is over 20 per cent higher in Scotland than it is in England and every pound of extra health spending announced in last month's budget for England will be matched in Scotland. If there was even the slightest suggestion that Mr Wilson and his colleagues were genuinely interested in health care provision for Scots patients, I would give his claims more credence.

I return to what Mr Davidson said. It never ceases to amaze me that he and his Conservative colleagues can criticise Labour's record on the NHS. I spent 20 years working in the health service, 18 of them under Tory decimation, and I know that we do not have to stand here and defend our actions on spending and in reducing the bureaucracy introduced by the Conservative Government.

Mr Davidson: If Labour was doing so well, not in what is being spent but in how it is being spent,

we would not be seeing waiting lists, bed blocking and chaos. If the Galbraith reforms are priced, it can be seen that in the first year they led to £400 million on extra bureaucracy that would have been better spent on extra services. Does Janis Hughes have an answer to that?

Janis Hughes: Mr Davidson has just given it himself. If there was that much bureaucracy it was introduced by the Conservative Government. We have reduced the amount of bureaucracy in the health service. I worked in the NHS; I do not think anyone on the Conservative benches worked in the front line of the NHS.

Mr Davidson: I was a pharmacist.

Janis Hughes: Okay. Having worked in the NHS for two years after Labour came into power, I saw the differences first hand. Only someone who has had that experience can fully understand how we made the health service better, as we will continue to do.

The nationalists are perhaps reassured by knowing that they will never have to put their pledges into practice. That is cold comfort for the people of Scotland who have to listen to constant, uncosted, irresponsible troublemaking. Before they start criticising others on spending plans, they should put their own house in order. Only when they realise that will it be possible to take them seriously as a grown-up representative political party.

10:35

Nicola Sturgeon (Glasgow) (SNP): There have been times this morning when I have felt that I was at school. We have had school-marm Janis Hughes telling us to stop making trouble, and I am convinced that one of these days George Lyon will skip his speech altogether and run straight down to the front of the chamber with an apple for the minister. His contribution was truly nauseating. I am only sorry that he is not still here.

Although George Lyon's contribution was nauseating, I must say in all seriousness that the minister's speech was downright depressing. He failed even once to lift his eyes from his civil service brief to enter into a genuine debate about how we can better represent the people of Scotland.

The motion that we are debating today is about ambition. It is about lifting our sights and being confident about what we could achieve if we had the powers and freedoms that other Parliaments all over the world enjoy and take for granted—the power and freedom to make this Parliament, the Government and the Minister for Finance genuinely accountable to the people of Scotland, instead of mere puppets at the whim of the

Westminster Government.

Mr McConnell rose—

Nicola Sturgeon: I would be honoured to take an intervention from the minister.

Mr McConnell: School-marms and feet on desks spring to mind.

I would like an answer to a very specific question. Nicola Sturgeon will again make a point about education spending and raising horizons. Exactly how would she make good the £4 billion fiscal deficit? Exactly which education services would be penalised to do that? If none, exactly which taxes would be used to make up the difference?

Nicola Sturgeon: There is no £4 billion deficit, as Jack McConnell knows only too well. Oil prices have doubled since he published that devastating critique.

Mr McConnell rose—

Nicola Sturgeon: I have already taken one intervention from Mr McConnell, and I think that that is more than enough.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): Will the member give way?

Nicola Sturgeon: No. I want to move on.

Mr McConnell said that I was going to raise my sights again on education spending. Let us take education as an example. Only last week, the First Minister admitted that our schools require £1 billion to bring them up to acceptable standards. Our school infrastructure is crumbling around the ears of our children. Spending of £53 million is required here in the city of Edinburgh, £100 million in the city of Glasgow. This Government has no answer to that. It spouts rhetoric about improving standards in education, but it expects our children to learn in buildings that are not fit for that.

The Executive's only answer, apart from the private finance initiative, is £185 million over three years, to meet a repair bill of £1 billion. Under the restricted powers of this Parliament, it will take decades to tackle that problem. That is one very good example of why we need fiscal autonomy to tackle the problems that beset our public services in the areas of health and education. Quite simply, it is not good enough to say to our children that they must learn in schools that are falling down around their ears.

Nor is it good enough for Mr McConnell to say that it is okay for Scotland to be near the bottom of the European league table on education spending per pupil. This year, £1,900 will be spent on the education of a primary school pupil in Scotland. Mr McConnell may shake his head, but those are the Government's own figures. The European average

is £2,500 per primary school pupil; in Denmark, the figure is £3,500. What does Denmark have that Scotland does not have? Denmark has the ability to take its own decisions, to raise its own finances and to set its own priorities—it is called independence and it is not something that anybody in Scotland should be frightened of.

It is time that this Government stopped comparing itself with the failures of the Conservatives and started to aspire to be the best in Europe. Scotland is a wealthy country. We can be one of the best in Europe, instead of being at the bottom of the league tables. If this Government even once lifted its eyes and was prepared to consider what Scotland could achieve, this Parliament would at last have a debate that was worthy of it. I appeal to Jack McConnell in his summing-up to start considering what we could achieve—how much more we could do for the people of Scotland—if he allowed this Parliament to have the powers that every other Parliament around the world takes for granted. What is wrong with that?

10:39

Mr Murray Tosh (South of Scotland) (Con): I begin by congratulating Andrew Wilson on the scope, at least, of his speech—his geographical knowledge, his pronunciation and his interesting ideas. I believe that he was genuinely examining ways in which investment in our services and infrastructure could be increased. Of course, he went on to spoil his speech by quoting Brian Monteith from *The Herald*. As Fiona Hyslop will tell him, anything that Brian Monteith says in *The Herald* should be taken as tongue in cheek.

In the motion, Mr Wilson makes much of his desire to increase expenditure on our health services. In his speech, he concentrated more on increasing expenditure on pensions. We have heard from Nicola Sturgeon that the ever-revolving sum of money that will be available when Scotland is independent will be spent on education. When Fiona Hyslop closes, as I assume she will, she will want to spend the money on housing. In between debates, Kenny MacAskill spends the money on roads and railways. The real answer came from Alex Neil, who wants to spend the money on everything simultaneously.

Andrew Wilson: The key point that we are trying to get across is that, if we had normal powers, we would have the opportunity to produce a manifesto and put our ideas to the electorate. If he wished, Mr Tosh could argue for lower tax. Why does he argue that the people of Scotland should not have the normal power through the Parliament to do normal things?

Mr Tosh: No one here has said that the people

of Scotland do not have the choice. They can choose to vote for the SNP if they wish, although I doubt whether they will ever be tempted to do that. It is not a question of choice: the choice is there, but it has been rejected.

The simple fact is that the nirvana of limitless expenditure is a figment of Mr Wilson's imagination. The question of the structural deficit, which has been raised four or five times this morning, remains unanswered. Nicola Sturgeon says that the structural deficit does not exist because the price of oil has just doubled. What happens when the price of oil falls next week, next month or next year?

The SNP should not build a country and make limitless promises on something as unstable and fluctuating as the price of oil. Every serious analyst of the situation considers that Scotland has a structural deficit. How to close that deficit would be an immediate problem for an independent Scotland. Where would the money be found to sustain the existing level of services?

Of course, those questions arise before we discuss the real SNP manifesto after independence, when it cancels all the PFI projects that it hates so much, pays the compensation costs and takes on the increasing costs of managing projects through traditional procurement processes, and when it renationalises the railway lines and what will by then be a privatised air traffic control system. What exactly will the SNP take back into the public ownership to which it is so committed in the independent Scotland? How then will investment in health and housing—Mr Wilson strongly criticised PFI again this morning—be financed?

There is still a fundamental dishonesty in the SNP. By all means, let us debate ways in which we can increase investment. Let our committees consider the Barnett formula and the various devices that the SNP has proposed. However, let us not kid ourselves that by conjuring up independence there will be resources for public services, when we know that there is a structural deficit. Mr Neil attributed the structural deficit to mismanagement of the economy, yet in the same speech he boasted about the strength of our electronics industry. From where did that industry come? It did not arrive with the kilts and the heather, but was built up through economic development and Government stimulation of the economy through the attraction of industry and the development of infrastructure.

Did anyone in the SNP read the interesting item in *The Scotsman* earlier this week about the boom in the Lanarkshire economy over the past seven or eight years, which has occurred because we have the benefit of the strength and resources of the United Kingdom, whose economy has been

growing steadily throughout the 1990s? The SNP will have to conjure up something more fascinating than that before it can delude Scots into the fiction of an independence that will pay for everything—

Fergus Ewing: Will the member give way?

Mr Tosh: I must wind up, as I have been allocated only five minutes. Otherwise, I would be happy to take on Fergus Ewing and sort him out on his ridiculous promises.

We have had this debate four or five times. It is time that we had some real ideas, some real flexibility and some sense about where Scotland is going, rather than a relentless attack on PFI and a relentless promise that all will be glorious in the morrow of independence. Let us get real and let us get on with the work of the Parliament.

10:45

Colin Campbell (West of Scotland) (SNP): I wonder whether Murray Tosh would say things in that kind of tone to the Norwegians, the Danes, the Finns, the Irish, the Luxembourgers or anyone else who runs their own independent country. That kind of attack on any other nation or prospective nation would be nothing less than an international disgrace.

A few years ago—

Mr Tosh: Will the member give way?

Dr Simpson *rose*—

Colin Campbell: No, I am not taking interventions. I am going for the British.

A few years ago, the only proponents of the status quo were those people on the other side of the chamber—the Conservatives. The rest moved to devolution; we now have devolution. It is the settled will of some, but not all, of the Scottish people. What has been fascinating so far about the performance today is the way in which the British have welded themselves together, dug themselves into a trench, put on their armour and are going to sit there and defend the status quo without any forward movement.

I have been accused of being troublesome and of being divisive. I have been told that it is time to grow up. My God, at my age, if I am not a grown-up already, when will I grow up? That is a good question—Jack McConnell should not answer it in his reply.

The Scottish National party has been accused of not wanting to make the Parliament work. That is a lie and a nonsense. It is in the interests of this party to make the Parliament work, quite simply so that the unbelievers among members and the unbelievers in this country will have their confidence restored and will come with us to the

normality of independence.

There has been a lot of chatter about where the money will come from. While I understand that it is not within our remit, I will touch briefly on defence. The UK pays £1 billion a year to the maintenance of the Trident weapons system. It is taking on board a lot of over-ambitious research and development and procurement plans, which will cost a great deal of money. By being out of that altogether, we could save about £300 million per annum—Scotland's share.

In addition, in defence, Scotland does not receive its share of research and development, procurement, executive agency staff or UK forces spend; it does not receive its fair proportion. Most headquarters' top jobs in the United Kingdom are not in Scotland either. There is a logic in that that any one of us can understand. Great savings could be made in that area, were we in a normal, independent condition.

Having said that, I turn to a small nation in a normal, independent condition that happens not to have Trident and that does not have the oil resources that we have: Denmark. In Denmark, the primary school spend per person in 1995, the most recent figure that we could lay our hands on, was £3,570 per pupil. That is 84 per cent more than Scotland's primary school spend per person now. For secondary school expenditure, the figure is £3,904, which is 29 per cent more, I say to Jack McConnell, than it is in Scotland now.

In 1996, Finland, with a similar population to Scotland of about 5 million, and with fewer natural resources, spent 18 per cent more than is being spent in Scotland now. Independence works. It is a question of whether one wants it to work, or whether one's fundamental loyalty is to the United Kingdom or to Scotland and its people. My loyalty, first and foremost, is to Scotland and to the people of Scotland. I joined this party because, having watched politics from the outside and having watched the state of the economy in Scotland over my lifetime, I could see that the people of Scotland were not getting a fair and square deal from the British connection and that there had to be another way of going about it. Independence is the way.

10:50

Malcolm Chisholm (Edinburgh North and Leith) (Lab): I was not at my most sprightly at 10 past 7 this morning, but I woke with a start when I heard Andrew Wilson's astonishing revelation, on "Good Morning Scotland", that Scottish people pay taxes to help fund our record levels of public investment. Of all the controversies that surround the Holyrood project, I did not think that the fact that the workers and companies who are involved in the project pay taxes was one. His point about

the accounting of the project was more interesting, although as Jack McConnell pointed out, under present circumstances that comes close to being an argument for PFI. The move towards resource accounting will help to deal with the problem that Andrew Wilson touched upon.

Andrew Wilson's speech was interesting in many ways. It followed a sort of twin-track argument. He paid obeisance to the traditional SNP policy of independence, but it was clear that he was also very attracted by the huge success of the Labour Government in London in running the economy. Much of his speech was based on the massive surpluses that he said the Labour Government had accrued in Westminster. I was reminded of the debate, three weeks ago today, during which his colleague, the deputy leader of the SNP, said that there should be some fiscal tightening in the budget, because that was the only way in which to deal with the problem of interest rates and the high exchange rate. There is some support for that view—the British Chambers of Commerce and many in the business community argue that the Chancellor of the Exchequer increased public expenditure by far too much in the budget—but it strikes me as slightly odd that the SNP should take that position, implicitly, three weeks ago today and yet call for more and more public expenditure today.

Today, we also heard more of Andrew Wilson's well-known obsession with percentages, but it would help if he quoted the correct percentages on the health budget. Over a period of four years, we have a 5.4 per cent annual real-terms growth in the health budget, which is unprecedented in the history of the national health service.

Andrew Wilson: If we take that point as read—Mr McConnell has not yet published the full figures—the 5.4 per cent that Malcolm Chisholm quoted compares in real terms to real growth south of the border of 6.3 per cent. Why is spending rising more quickly in England than in Scotland?

Malcolm Chisholm: Again, that percentage is incorrect. In fact, there is a 7.3 per cent real-terms growth in the health budget in Scotland this year and a slightly higher—7.8 per cent, I think—real-terms growth in England. Over the four-year period, there is a less than 1 per cent difference in the real-terms growth of the health budget.

The Scottish people are more interested in the £2.4 billion cash increase over four years; that is the same increase per head in the health budget as in England. Everybody in Scotland, apart from the SNP, has welcomed that. The SNP's views on health are almost as bizarre as those of the Conservative party and David Davidson, who said that, somehow, there was more bureaucracy now than there was under the Conservatives. Again, I

do not think that anyone else in Scotland believes that.

Andrew Wilson's fundamental point was that public expenditure in Scotland did not take account of needs or of ability to pay, both of which, of course, are untrue. The whole point of our having a much larger health budget is to address the greater levels of ill health in Scotland. The pivot of the argument is, and will remain, ability to pay, but the simple fact is that there is a fiscal deficit, unless we assume a high oil price and a high oil production level. All the figures that suggest surpluses in Scotland assume those two things.

Brian Adam (North-East Scotland) (Con): Will the member give way?

Malcolm Chisholm: I am afraid my time is up.

It is very foolish to make such assumptions when the long-term, incontrovertible, trend in oil is towards falling production levels.

10:54

Bruce Crawford (Mid Scotland and Fife) (SNP): When I thought about the debate today, I could not help but reflect on the European Committee's recent visit to Brussels and, in particular, on some of the messages that we must learn from that visit. For instance, it was salutary to hear, from a director general of the European Commission, that the Scottish Parliament and its committees could become more important than Westminster in relation to matters to do with hill farming or fishing. The message that I took from that was that—despite the attempts in things such as the concordats to hem Scotland in, and despite the attempts of many in this chamber to stick with the status quo—the process is evolving anyway, and the Commission is beginning to realise that Scotland will have to have its own distinctive voice.

It was also salutary to learn that 80 per cent of the legislation emanating from, and developing in, the European Community will have a direct effect on Scotland's domestic policy. Given that the vast majority of legislation made, and of other decisions taken, within the framework of the European Community—through the Commission and the many Councils of Ministers—affect Scotland directly, it is concerning, to say the least, that Scotland does not have the opportunity to contribute in the way that other nations do. Scotland's distinctive needs cannot be articulated in the same way as can the needs of the Irish, the Dutch or the Danes.

There is another lesson to be learned from the growth in the number of discussions that are taking place at official level between like

departments in the various member states. I wonder whether the southern-based big UK departments, when they are involved in talks with like departments in the European Community, have the best interests of Scotland at heart, and whether those interests are properly represented.

The most salutary lesson of all comes from the experience of the Irish. From everyone I have spoken to in the European Community, it is clear that the Irish have made an art of cutting a niche for themselves. In Brussels or Strasbourg, all sorts of people talk about the terrific networking of the Irish, and about the way in which they are superbly able to secure the best deal that they can for their people. It is no accident that their ability to do that is directly related to their status as a normal nation within the European framework.

I heard Jack McConnell talking about trying to create a relationship between us and England. That says more about Jack's mindset than about ours. This debate is about a relationship between Scotland and the rest of Europe. It is time that we started raising our sights and widening our horizons.

Talking about lessons from Europe leads me on nicely to the issue of European structural funds and the way in which they are treated in the United Kingdom. If Scotland had a status similar to that of even the Basque Country—which, as we have heard already, has full fiscal autonomy—our position as far as structural funds are concerned would improve dramatically.

Mr McConnell: Will the member give way?

Bruce Crawford: I will let Jack in in a minute.

In Scotland, structural funds are non-additional to the net overall expenditure that is available to the Scottish Executive through the Scottish assigned budget. Perhaps Jack will address that when he is on his feet.

Mr McConnell: I would like to make two points. First, will Mr Crawford confirm that the Basque Country does not, at any time, have a seat on the Council of Ministers, unlike this Parliament and this Executive? It is therefore not as well represented in Europe as is this Parliament. Secondly, will he confirm that this Executive's and this Parliament's budget for European structural funds is not only enough to cover us for the next seven years, but is more than enough, allowing us to divert money to other sources?

Bruce Crawford: I will come on to talk about some of Jack's own quotations on non-additionality issues. I will first answer his point about the Basque Country. Unfortunately, Scotland does not have a choice as to when it can sit at the top table. We get that place only when the UK department allows it.

Mr McConnell: Is the Basque Country represented on the Council of Ministers?

Bruce Crawford: Presiding Officer, I am still on my feet. I had not given way again.

The Presiding Officer: That is right.

Bruce Crawford: I want to get on to the key point—and Jack knows that this is the key point—on non-additionality. On 7 October, I asked the First Minister in this chamber to confirm that structural funds were non-additional to Scotland's overall bottom-line position. In response, the First Minister said:

"That is broadly correct. Budget provision is made for European structural funds within the Scottish assigned budget each year."—[*Official Report*, 7 October 1999; Vol 2, c 1174.]

That was confirmed by the Minister for Finance himself, when, in a letter of 14 January to the European Committee of this Parliament, he wrote:

"As the overall Assigned Budget is determined by other factors, including the Barnett Formula, increases in structural funds expenditure would result in fewer resources being available for other spending purposes."

That is quite clear: there is no net benefit to overall public expenditure in Scotland. Perhaps the minister should take a leaf out of Rhodri Morgan's book, by representing Scotland's case in London, rather than representing London's case in Scotland. Perhaps Mr McConnell should take the same road as Alun Michael took. He should go.

11:00

Mr Kenneth Macintosh (Eastwood) (Lab): I do not want people to think that I am a back bencher who can see no further than the borders of my constituency, but I wanted to think of some good examples of public services in Scotland and I decided to start in Eastwood. I would like to tell members a little bit about East Renfrewshire and what is happening in the area. My constituency stretches from Uplawmoor, Neilston and Barrhead by Paisley on the west side, through to the south side of Glasgow—Giffnock, Clarkston, Newton Mearns—and over to Busby and Eaglesham on the East Kilbride side. It has prosperous parts, those that are not so prosperous, a commuter belt and industrial areas. However, much of it is suburban, car-owning, home-owning green belt.

Nicola Sturgeon: Will the member give way?

Mr Macintosh: I have hardly started.

Nicola Sturgeon: I am almost reluctant to intervene, Presiding Officer, because I love hearing about life in Eastwood. Perhaps the member can tell us the total of the school repair bill in East Renfrewshire. In anticipation of his being unable to do so, I can reveal that the bill is

£13 million. Will the member give us specific answers about the Government policies that will enable East Renfrewshire to tackle that repair bill within—

The Presiding Officer: Order. That is a very long intervention.

Mr Macintosh: Was Nicola Sturgeon presenting yet another SNP spending commitment?

Nicola Sturgeon: I asked the question.

Mr Macintosh: That is ludicrous. I am about to talk about the public services in Eastwood. Eastwood might not be an area that one would associate with public services, but I have decided to think about and mention what we are delivering in the area. I will start with schools, because the area prides itself on its schools.

In the past three years, six new nurseries have been set up and four others have been expanded. We are currently building a brand-new primary school and are expanding a secondary school. We have put new money into a community school. There are classroom assistants in nearly every primary school in the area. There are also after-school care clubs throughout the area. Our libraries are providing more services, from books for babies to free internet access, including a direct link to the Scottish Parliament. There are more computers in the classroom. On Barrhead's main street there is an internet café, which is a major project that aims to get young people off the street and on to the web.

Nicola Sturgeon: Will the member give way?

Mr Macintosh: I am sorry, but Nicola Sturgeon's last intervention was neither helpful nor a question—it was a mini-speech.

Nicola Sturgeon: Answer the question.

The Presiding Officer: Order. You have one minute left, Mr Macintosh.

Mr Macintosh: It was not a question, it was a mini-speech, during which Nicola Sturgeon made yet another spending commitment.

I have just listed the Government's achievements in East Renfrewshire. Those are proper public services, delivered for the people of East Renfrewshire by a Government that can be trusted to run the economy, unlike the shower across the chamber, with their vague promises and uncosted, illusory economics. The SNP gestures are puerile and do not fool everyone. This morning, on the radio, Andrew Wilson was trying to turn us into a Parliament of tax dodgers. That is nonsense, back-of-the-envelope economic thinking, and it will not work.

We are delivering decent services for the people of East Renfrewshire, not just in education. We

have invested in transport through several schemes, including in small but significant matters such as the improvement in disabled access at railway stations. I am sure that Alex Neil will support the multi-million upgrade of the A77 to motorway status. For the first time in 20 years, people are beginning to see publicly owned, affordable housing. East Renfrewshire Council and Renfrewshire Enterprise are helping businesses to develop through e-commerce. The new deal has helped us to cut youth unemployment by more than 50 per cent. That is an achievement.

We have sports co-ordinators in schools and, for the first time, new money for local arts companies. The Levern valley social inclusion partnership is working with voluntary groups, disabled people and people with learning difficulties. I have not even touched on the biggest public investment—health. We have put resources into hospitals and GP services and have given our nurses decent pay rises.

My list has not included the minimum wage, the largest ever increase in child benefit, the winter allowance, the minimum income guarantee for pensioners, the new tax credits for working families and child care, all of which will help thousands of the poorest people in my community. The list goes on and on.

The Presiding Officer: I am afraid that you cannot go on and on, Mr Macintosh.

Mr Macintosh: I was surprised to read the business bulletin and find that this was a non-Executive motion. The SNP has made only puerile, ill-thought-out, illusory, fantasy promises that it cannot deliver. The figures just do not add up. At least we are delivering on true public services.

The Presiding Officer: I ask the closing speakers to stick strictly to the time limit. Robert Brown, you have four minutes.

11:05

Robert Brown (Glasgow) (LD): I must be very naive: I did not realise that the SNP's motion was in fact an end-of-term resolution, designed to give the independence fundies a chance to rant and rave in the chamber. The press have obviously realised that—only a few minutes ago, the only press representative in the gallery was a gentleman reading his newspaper.

The SNP motion is peculiar: it grunts and groans at us with the depressingly chip-on-the-shoulder attitude that we have come to know and love from the SNP. Its 12 lines of convoluted English do not propose anything. Part of it is the usual wail about Scotland not getting its fair share; part of it

concerns rather unclear changes to the internal tax system. Furthermore, it cleverly avoids the choice of whether more or less money should be raised. In fairness to Andrew Wilson, however, I should say that he admitted as much when he said that the SNP was not arguing for any specific policies. He is absolutely right. The motion reads as though it were composed by a committee of three gradualists and three fundies, then translated into Russian and back again.

Although I agree that the precise arrangements for financing the Scottish Parliament are not perfect, that might have something to do with the fact that the SNP skulked in its tents during the Scottish Constitutional Convention and did not support those of us who argued for a better system.

Andrew Wilson: Does Mr Brown, like me, agree with the Scottish Constitutional Convention's conclusion that fiscal autonomy or greater financial powers are good ideas? If he makes it clear that he backs that proposal, he can vote for our motion, as that is all that it calls for.

Robert Brown: I am pleased to have a translation of the motion; that was certainly not my reading of it.

I agree that we could have a better fiscal system and that the Parliament should have sensible borrowing powers—a useful point to make about Holyrood—but the motion plays the usual SNP game of having its cake and eating it. The motion says that Westminster's allocation of resources

"takes no account . . . of the level of revenues raised in Scotland".

However, what is suggested would mean a drastic reduction in the Scottish block, removing the formula that provides £1,057 per person on health in Scotland compared with £890 in England. That is the reality, however we diddle the figures.

The SNP wants to separate Scotland from the United Kingdom; it is perfectly free to argue that position. However, it should be honest enough to clarify the implications of that. We will lose the advantage of being able to draw from the larger UK pot in times of difficulty to deal with our higher levels of need. For example, we must tackle Glasgow's problem of having the six constituencies with the worst health in Scotland. Weasel words and futile attempts to pretend that two plus two makes five only demean the Parliament.

The Parliament and the partnership Executive have been engaged in realigning resources sensitively to promote health, instead of simply curing sickness; we have been tackling the causes instead of the symptoms and making the best use of the available money to do so. We have gone

further down that road than any Government before us. George Lyon detailed the changes in the simple financial additions to the Parliament's resources. Real money is going to real public services for rural and other parts of the economy; that money is not the toytown money that Andrew Wilson is printing in ever-increasing amounts. It is an absolute mercy for Scotland that its fortunes are in the prudent hands of this Executive, instead of the Mickey Mouse economics of the Opposition. As a result, I back Jack McConnell's amendment.

11:09

Nick Johnston (Mid Scotland and Fife) (Con):

We know by now that this debate is not about finance, economics, VAT or even the long-term financing of public works. It is one more attack by the SNP on the devolution settlement, destabilising the Scottish Parliament and using a crude pretence to drive a wedge between the constituent parts of the UK. Janis Hughes made that point very well.

Even so, I was surprised at the SNP's choice of debate. After the mauling that it received last week over its pathetic attacks on PFI, after the embarrassing exposé of its tax-and-spend policy and its toe-curling summing up, I thought that it would stick to safe subjects, such as tartan weaving, the shortbread industry and theme rides through Brigadoon, rather than laying bare its inadequacies on economic matters.

The SNP is the modern equivalent of the what-the-butler-saw machine. On tartan day, people can put in their tartan penny and the SNP will lay bare the naivety of its economics and spending policies. Turn the handle and they will see Andrew Wilson do the dance of the seven veils—with every piece of gossamer that he sheds, another piece of the SNP's economic credibility goes.

Andrew Wilson says that he wants to go all the way, but he wants to go all the way without being honest about the status of Scotland. Most of the examples that he gave, including the Basque Country and Catalonia—a place I love well—are part of a federal system. If the SNP policy has changed again and it now wants to be part of a federal system, it should be honest and let us know.

The SNP's veil No 1 is that all our economic ills can be solved by proclaiming or reclaiming, "It's Scotland's oil." Let us ignore the outflow of capital, which David Davidson mentioned, the business incentives and the fact that an SNP Administration, intent on fulfilling its imprudent spending plans, would drive people away from Scotland.

What about veil No 2? Scotland contributes 8.9 per cent, but takes 10 per cent of Government

spending. The balance is weighted severely in Scotland's favour. Alex Neil called for the privatisation of Scotland.

Andrew Wilson: Will the member give way?

Nick Johnston: In a moment.

We heard dreamland economics. Perhaps Andrew Wilson will answer this: what will the public sector borrowing requirement be in an independent Scotland? What would interest rates be? What would the level of the Scottish pound be?

Let me finish my point about Alex Neil—I congratulate him on reminding us of Tony Blair's words about this Parliament being the equivalent of an English parish council. Perhaps Andrew Wilson can respond to that, too.

Andrew Wilson: The factors Mr Johnston mentioned would of course be determined by the choices of the Government of the day. Can Mr Johnston name me one year under the Conservative Administration in which the UK did not spend more than it raised in taxes?

Nick Johnston: I am sorry. I thought that Andrew Wilson was going to answer my point. I will answer his in a minute.

Let us move on to veil No 4, because we will start to see a bit more flesh on the bones. Murray Tosh made the point well that veil No 4 is based on the price of crude oil, which is a volatile commodity, as recent rises have shown. Can the SNP tell us how the gap of £4 billion, £5 billion, £6 billion or £7 billion will be plugged? I know that Ms Sturgeon does not accept that point, but she is to be congratulated on her excellent exposé of the sycophancy of the Liberal Democrats, whose contribution to today's debate has done nothing for their credibility in Scotland.

Bruce Crawford touched on veil No 5—structural funds and match funding. The SNP uses that issue as a cloak before revealing parts of its economic nakedness. The Conservatives have always called for a full debate on EU funding. Bruce should be congratulated on bringing the issue into the debate. The minister will no doubt attack that.

Let us examine veil No 6—the SNP's spending plans, which are a wish list of sticking plasters to cover the gaping wounds of hope over reality, with spending commitments far outweighing Scotland's resources.

We then come to the removal of the final veil, which concedes the true figures in Scotland. Let me go back to Bruce Crawford and to the fact that the SNP motion does not address the SNP policy of joining the European single currency. To meet the criteria, the SNP would have to cut public

spending and raise taxes, which is the opposite of what it outlines in its motion.

The rhetoric today is mischief making. The SNP knows that and cannot defend itself. The figure of £1.8 billion has been mentioned as the cost of the SNP's policy on Europe.

Andrew Wilson: By whom?

Nick Johnston: By me.

I agree that there should be a more fiscally responsible and democratically accountable way of funding public services, but responsibility for that lies at the feet of the Executive, at the heart of whose policies lies spend and not—as we have called for for many years—the spending of public money wisely. Before using public sector financing as a vehicle for political mischief making, all the other parties should examine how local authorities are run and how wasteful they are with public finances.

The Presiding Officer: I call Jack McConnell. You have six minutes, Jack.

Nicola Sturgeon: I have been waiting for this all morning.

11:15

Mr McConnell: It would be rotten to disappoint, Presiding Officer. I am interested in the new alliance between Nick Johnston and Nicola Sturgeon, which is one of the more interesting alliances of the Parliament.

It has been good that the debate has not just been on the numbers that the Opposition parties have bandied around the chamber over the past six months. The fact that they have clearly given up on that debate is welcome. They recognise that there are significant, real-terms increases in all areas of public spending in Scotland—a grand total of almost £500 for every man, woman and child in Scotland even up to this year, never mind to next year or the year after. That is a significant increase in Scottish public services, which bears testimony to the Barnett formula, to the statement of funding policy and to our relationship with the rest of the UK. It bears testimony to the success not just of the devolution settlement but of the Government's economic management and of the coalition Executive's priorities in putting education, health, transport and crime at the top of the agenda.

It has been disappointing that we have not heard the answers to the fundamental questions. We did not call this debate. Despite the fact that the Conservatives are quoted so often by the Scottish nationalists, they were not responsible for the debate either. The Liberals did not call for this debate. Even Mr Harper, who has just entered the

chamber, did not call for it. The debate was called for by the Scottish Nationalist party, so its members might have been expected to give some answers on the future financing of Scotland, were their plans to come to fruition.

The only specific thing that we heard this morning was Bruce Crawford's disgraceful misrepresentation of Scotland's position in relation to European funding. We need to tackle a series of potentially misleading and dangerous statements about the future financing of Scotland. I presume that Fiona Hyslop will do that when she sums up—at least, I think it is Fiona who is summing up. We might eventually get answers to our questions.

Scotland receives every penny of European funding that it deserves. That money comes from the European Commission through the UK Treasury and on to Scotland. Not only that, but the fact that we have that money this year, and that it will stay in our budget year after year, means that, because one kind of European funding that we can spend in Scotland is to decrease in years to come, we have extra resources that we can allocate elsewhere. That has been confirmed by the Commission in evidence to a European Committee meeting that Mr Crawford attended; it has been confirmed to that committee by European officials; and it has, I think, been accepted by all concerned. To continue to raise that matter in the way in which Mr Crawford does will do nothing but put in doubt the funding for groups across Scotland. It is dangerous talk, and it should stop, because it is untrue.

Notwithstanding the alliance between the two Opposition parties, we have again heard incredible statements from the Conservatives about their so-called economic legacy, which they claim has resulted in the current situation in public expenditure. I remind Nick Johnston of the position in 1997—a national debt of £20 billion and rising. That has been not just turned round but eliminated by the Labour Government at Westminster.

Alex Neil: That is not a national debt—you have got it wrong, Jack.

Mr McConnell: Some £8.5 billion has been added to the spending plans of 1997. Those are fundamental changes to the financing of this country and the rest of the UK and we can be proud of them.

I agreed with one thing that David Davidson said—that the purpose of this morning's motion and debate, and of the points that Mr Wilson and his colleagues make, is to create a bitter dispute between this Parliament and Westminster and the rest of the United Kingdom.

Andrew Wilson *rose*—

Mr McConnell: No.

It is designed entirely to create a dispute and instability inside the UK and inside Scotland. Nothing is made of the SNP's proposal, which I think existed last year, to reduce corporation tax, apart from a brief mention by Mr Wilson. There is no mention of the proposal to increase personal taxation in Scotland and no attempt to justify how that tax decrease for business in Scotland would be paid for by increased personal taxation. Moreover, there is no attempt to suggest how the structural deficit between Scottish public spending and Scottish taxation revenues would be filled in a separate Scotland and there is no attempt to fill that gap with proposals for taxation or reduced spending. The SNP is being dishonest and should supply some answers.

I want the SNP to tell us today its policy on taxation. Does it want to increase personal taxation, which was its policy at the election? Does it want Scots to pay higher taxes than everyone else in the UK? I am sure that that is Mr Neil's position, but I would like to know whether it is the position of other SNP front benchers.

How can a policy of higher personal taxes and lower business taxes be consistent with the priorities of the people of Scotland? Does the SNP agree with Mr Salmond's opinion, expressed last year, that tax rates are not a disincentive this side of 50 per cent? Does the SNP want personal taxes to rise to near that level?

What are the SNP's policies on the exchange rate mechanism, a separate Scottish currency and the other key matters that would affect the financing of a separate Scotland? The SNP cannot blandly compare the situation that a separate Scotland would be in to the current situations in Denmark, Norway, Finland, Sweden, Holland, Ireland or anywhere else. We should compare the situation that a separate Scotland would be in with the situation that Scotland is in today—increased public expenditure, a strong fiscal and economic position, economic growth and rising employment. That would be a more useful comparison to make.

The SNP claims to stand up for Scotland but it does not do so by coming to the chamber week after week calling for more powers and cash, by disputing the current settlement, which is the settled will of the Scottish people, and by creating disputes. This Parliament will stand up for Scotland by making use of the cash that we get and the powers that we have. We will do that properly and prove that the Parliament can work. When the SNP becomes involved in that process, it will receive more respect than it does for initiating debates such as today's, which denigrate the Parliament and do us no service whatever.

11:22

Fiona Hyslop (Lothians) (SNP): We have had a debate of some quality this morning. Listening to the minister, however, I experienced a sense of déjà vu. A number of years ago, Michael Forsyth, a Conservative minister, used the same arguments when talking about the devolution settlement. Obviously, there are more similarities between the two men than simply the Stirling connection.

We have had quality speeches today, but not from everyone. Listening to speeches by members of the Executive parties, I often think that they fail to understand the nature of parliamentary democracy. They seem to expect the Opposition not to criticise or scrutinise the Executive and not to oppose wrong-headed and ill thought out policies. It is time that the Executive parties stopped girning and started respecting the SNP's role as the official Opposition. As the Opposition, we are dedicated to the success of this Parliament but are relentless in our pursuit of the best possible deal for this country.

I will remind the chamber of Andrew Wilson's speech. He quoted from the Scottish Constitutional Convention document "Towards Scotland's Parliament", which said of the block grant settlement:

"It would be a minimalist approach that is neither radical in concept nor conducive to accountability as it would mean that the Parliament would be more accountable to Westminster than the Scottish people and would be even less financially independent than local authorities".

In yesterday's debate, it was suggested that some of the rooms in the new Parliament could be sponsored. I am sure that companies such as Coca Cola or Pepsi will not be invited to sponsor the Parliament, but I suggest that the SNP's proposals would give us a Holyrood Max, whereas the Executive's proposals will deliver not even a Holyrood Lite but, because the devolved powers are not being used properly, a Holyrood Super Lite.

We should reflect on some of the comments that were made today about the European context. We should look at other countries to see what they can do that we cannot. Alex Neil talked about Scotland being a net contributor. The figures contained in the "Government Expenditure and Revenue in Scotland" report show that Scotland pays 9.3 per cent of Government revenues from a population that is 8.5 per cent of the United Kingdom's population. We do not have a structural deficit. Nicola Sturgeon talked about what we could achieve if we had the powers and freedoms that other Parliaments all over the world enjoy and take for granted. She was right to say that we are talking about raising our sights.

I agree with Murray Tosh, who is no longer

present, that we should consider the Barnett formula. Robert Brown let the cat out of the bag when he said that we should have a better fiscal system. That is what we are suggesting: not to stay where we are, but to think about where we could be.

It should be remembered that, according to opinion polls, 68 per cent of Scots want this Parliament to have more powers. In my speech two weeks ago, I called for local authorities to be freed from the narrow confines of Treasury borrowing consents. I said:

"Where a council has a sound business plan and a proven track record, it should be allowed to borrow what it requires to get the job done. Even local authorities that did not pass that test could set up arm's-length companies to enable that within the current regime without changing the existing Treasury rules."—[*Official Report*, 23 March 2000; Vol 5, c 886.]

I was pleased to be joined in that call by the Deputy Prime Minister, John Prescott, who said in the House of Commons on Tuesday:

"Local authorities will be given new borrowing powers to invest in their housing and retain full ownership where they put their housing management in arms-length companies and demonstrate an excellent record of management through best-value inspection."—[*Official Report, House of Commons*, 4 April 2000; Vol 347, c 814.]

The similarity with my speech is uncanny—I was not aware that the Deputy Prime Minister followed my speeches with such diligence. The option would be on balance sheet; it could be on balance sheet under devolution. However, with more powers, and with the ability to impose borrowing consents on local authorities, this Parliament would have much more scope.

The infrastructure debate has moved on, but the agreement continues. Two weeks ago, I also said:

"There is no reason why local authorities cannot borrow the money that they require, apart from the fact that the Executive is not prepared to negotiate with the Treasury or to consider new and imaginative ways in which to help local authorities meet their funding needs."—[*Official Report*, 23 March 2000; Vol 5, c 887.]

On Tuesday, Mr Prescott said:

"On local borrowing and my influence on the Treasury, I am accused, on the one hand, of having no influence with the Treasury and, on the other, of getting something from the Treasury that I should not have received. What I achieved for local authorities was the right to borrow."—[*Official Report, House of Commons*, 4 April 2000; Vol 347, c 818.]

Even under devolution, the Executive has not managed to use its powers to influence the Treasury in that way. That is what I have been calling for and what COSLA has been calling for—the right to borrow.

Mr McConnell: Will Fiona Hyslop confirm that local authority borrowing in Scotland is already

significantly higher than in England, and that, although Mr Prescott has perhaps secured an increase in borrowing for English councils, particularly for housing, that would not bring their level of borrowing anywhere near what exists in Scotland, either for housing or for local authority expenditure across the board?

Fiona Hyslop: No. The minister will realise that there has been a net cut, after inflation, in the borrowing consents that are available for housing.

Let us consider the use of expenditure powers. There should be a sensible, responsible and prudent use of public finances. We should not mortgage to the hilt our children's future, through expensive private finance initiatives, which are forming an unhealthy and disproportionate percentage of public finance. Figures show that 34 per cent of Scotland's finances are spent on PFI schemes and that, in 2001-02, 43 per cent of all the UK's PFI schemes will be in Scotland. Scotland is a PFI guinea pig.

In the debate a fortnight ago, Peter Peacock described the SNP's proposals—which now, interestingly, have been adopted by John Prescott—as “unachievable, unsustainable and unprincipled”. Will he now use the same language to describe the Deputy Prime Minister's announcement as “unachievable, unsustainable and unprincipled”?

Malcolm Chisholm: Will Fiona Hyslop give way?

Fiona Hyslop: If Malcolm Chisholm wants to pretend to be Peter Peacock, I am happy to take his intervention.

Malcolm Chisholm: Is it not true that the SNP's proposals were nothing like John Prescott's? John Prescott's proposals were still on balance sheet, whereas the SNP is trying to get around that. Is it not also true that every increase in housing expenditure that John Prescott gets out of Gordon Brown, we get through the Barnett formula?

Fiona Hyslop: No. I am arguing that the expenditure could be on or off balance sheet. If it were on balance sheet, Jack McConnell would be required to negotiate with the Treasury, as John Prescott admitted to doing.

I would like to move on to some of the other contributions to this debate. Robert Brown raised a point on the Holyrood project and taxation. We are not talking about not paying taxes. If we had the powers to allow us to borrow for the Holyrood project, those taxes could be recycled into health, education and housing.

I agree with David Davidson that stealth taxes are harming the Scottish economy. The high value of the pound is harming the Scottish economy. Grampian Foods yesterday announced the loss of

another 99 jobs, and Murray Tosh talked about the situation in the electronics industry. We have a strong manufacturing base in Scotland, which is being harmed by the high value of the pound.

Mr Davidson: Like the Conservative party, the SNP decries stealth taxes. Will the SNP give a cast-iron guarantee that any taxation introduced by that party will be in the form of direct taxation—yes or no?

Fiona Hyslop: Taxation can be organised in a variety of ways, such as having a mix of taxation. The SNP believes in transparency in taxation, which we are not getting at the moment.

It is important that we agree that devolution is about using devolved powers. If the Executive wants to use those powers to introduce more stealth taxes or to cut taxes, that is fine. If it wants to use what powers the Parliament has to stay put, to move forward, to move back or to change the mix of taxation, that would be the Executive's choice, which it would be able to put to the Scottish people. All we are asking is for the Scottish people to be given the choice and the flexibility that we are proposing.

It was depressing to hear the arguments used by Janis Hughes, as they were the same arguments that the Tories used against the Labour party during the devolution process. Devolution is now the status quo. The choice is whether we stop at that. If we do, we will stagnate and we will never move forward.

I offer the Executive parties a challenge—or an opportunity. They do not have to come the full way towards the SNP's policy of independence—I do not expect them to—but they should at least have the courage to try to expand the powers of the Parliament.

The theme of today's debate is fiscal autonomy, and the debate has rightly concentrated on the many powers that this Parliament should have, but does not. However, fiscal autonomy means more than that—it means the ability to think as an independent Parliament that could act on its own priorities according to its own needs and be a Government for Scotland, not just a department of London government in Scotland.

The Presiding Officer: That concludes the debate. Before we start the debate on the dairy industry, I suspend the meeting for five minutes.

11:32

Meeting suspended.

11:35

On resuming—

Dairy Industry

11:35

Mr Adam Ingram (South of Scotland) (SNP):

Scotland is a nation of 5 million people, and covers nearly half the UK landmass. It has some of the best agricultural land in Europe and, without doubt, some of the best and most efficient farmers in Europe. With those assets, one would expect that Scotland should, at the very least, be able to supply milk for its own needs, and should certainly be aiming for quality Scottish dairy products to lead in the European marketplace.

However, all is far from well in Scottish agriculture, notably in the once-prosperous dairy sector. Dairy farmers now face a situation in which the average cost of production of a litre of milk is more than the price that can be achieved in the marketplace. Clearly, the survival of many dairy farm businesses is now seriously under threat, especially when we consider that cull cows now fetch less than 50 per cent of the price that they did before BSE, and that male dairy calves are virtually unmarketable.

For the average dairy farmer in Scotland, net dairy farm income has collapsed to a mere £4,400 per annum. The average farm-gate price for milk has fallen to its lowest real-terms level since records began in 1970. In the past three years alone, it has plummeted by a third to just 16p per litre—the lowest price in Europe.

What has brought about what can be described only as a serious crisis in the Scottish dairy sector? What could have happened to Scotland's agricultural advantage to have given rise to those shocking statistics? The National Farmers Union is in no doubt. The farmers in Ayrshire, Lanarkshire and Dumfriesshire, whom I am privileged to represent, are in no doubt. The combined actions and the stewardship of the agriculture industry of successive Westminster Governments have taken their toll on Scottish farmers, and I want to examine the main areas of concern.

The biggest factor by far is the strength of sterling. Gordon Brown's exchange rate policy has damaged the competitiveness of other parts of the economy where international trade is important, such as manufacturing industry. That policy makes imports cheaper and exports dearer, to our detriment. By way of illustration, I noticed at the weekend that the dairy counter of my local supermarket is selling no fewer than 13 different brands of butter, only two of which are UK-

produced.

In the dairy industry, those pressures are compounded by the intervention price system. To be technical, as the pound rises against the euro, the sterling value of the intervention milk price equivalent, which is set in euros, is pulled down. As the IMPE acts as a marker price for milk products, the farm-gate price for milk paid to the farmer also falls. In the four years since 1996, farm-gate prices have fallen more than 7p per litre, of which more than 4p is attributable to currency movements of that kind.

It is in that context that the minister's recent announcement on agrimonetary compensation should be viewed. Although I congratulate the minister on his successful efforts to secure compensation for dairy farmers for the damage caused by the increasing strength of sterling against the euro, the compensation is worth just 0.15p per litre. Only last weekend, the farm-gate price for milk fell again. One frustrated Ayrshire farmer was quoted in *The Herald* as saying:

"We may be getting £2m in compensation, but the cut in the milk price from April 1st will take away £12m".

I am sure that the minister will agree with the NFU that, although such payments are welcome, they are no panacea for the Scottish farming industry. I urge him to continue to make representations to HM Treasury ministers in London seeking an end to what is an extremely damaging exchange rate policy.

I will refer now to the structural problems that the industry faces, which can be dealt with directly by the Scottish Executive. The problems are not manufactured by the farmers but, as I have said before, are consequences of Government action, in particular the abolition of the milk marketing boards and the discouragement of vertically integrated co-operatives in a misplaced drive for competitiveness through deregulation. The abolition of the Scottish Milk Marketing Board in 1994 could have brought new challenges, advantages and prosperity. However, the decision to prohibit its successors—Scottish Milk, and Milk Marque in England and Wales—from processing and to restrict their activities to trading robbed many farmers of the opportunity to share in the profits that have been made as the farm-gate price for milk has been driven down by dairy companies, which have quickly learned to work the system to their advantage.

Of the 7p fall in farm-gate prices, 2p can be attributed to the effects of deregulation and intervention by the likes of the Monopolies and Mergers Commission. The farm-gate price for milk might have fallen by 30 per cent, but the supermarket price has fallen by only around 6 per cent. Someone somewhere is making a profit, but

it is not the farmers. Until farmers have ownership of the supply chain—the processing, where the profit is made—they will continue to lose out to those who can buy milk directly at the farm gate, add value by processing, and then supply it directly to supermarkets. I am pleased that some progress has been made and that, ahead of developments south of the border, Scottish Milk is now able to process more than 10 per cent of its throughput.

Greater vertical integration, which allows farmers more ownership of the processing and marketing operation, is vital. Measures to encourage purchasing co-operatives to develop milk processing operations can pass some of the profits on to farmers, rather than the current situation in which the money is made and kept in the hands of the biggest operators that buy, process and sell milk. Companies such as Wiseman and Express Dairies are currently enjoying monopoly profits.

It is the responsibility of this Parliament to act now to limit the damage that previous Governments have left in their wake. We must be imaginative. We must recognise the long-term benefits of restructuring to secure the future of the industry. Capital investment is needed to allow farmers to gain a share of the profits that are currently being secured through milk processing. But how can such capital be generated when the milk price is so low? In the view of the Scottish National party, the Scottish Enterprise and Highlands and Islands Enterprise networks should be tasked to encourage producer co-operatives and to provide funding for them to establish joint ventures with dairy companies and others in the private sector. The minister need look no further than the Galloway Creamery in Stranraer for a successful joint venture of that kind, which pre-dates the current crisis.

George Lyon (Argyll and Bute) (LD): Is Adam Ingram saying that the Scottish Agricultural Organisation Society, which was set up by the Scottish Executive to encourage co-ops to be set up in Scotland—which he has argued for—should be mothballed and the powers handed to Scottish Enterprise and Highlands and Islands Enterprise?

Mr Ingram: No. I am saying that there ought to be a drive to support co-operatives, and to link that to the creation of joint ventures between co-operatives and dairy companies or others in the private sector to establish—

George Lyon: Is the member arguing that the SAOS's powers should be handed over?

Mr Ingram: We will talk about that later.

The Presiding Officer (Sir David Steel): You are on your last minute.

Mr Ingram: Wherever possible, we should be encouraging new product development and innovative marketing, which has seen considerable growth in some segments of the dairy product market, most notably in yoghurt and specialised cheeses—markets almost exclusively supplied by imports.

Further intervention by the Competition Commission will be unhelpful if its only consideration is the lowering of milk prices. It should take a more responsible attitude and consider the long-term sustainability of the dairy sector.

The dairy industry wants encouragement and a helping hand from Parliament, so that our farmers can get through this crisis—we must not let them down.

I move,

That the Parliament recognises the serious crisis affecting Scotland's dairy industry; notes with concern that the farm gate price for milk has fallen by over 30% in the last three years, yet the retail milk price has remained virtually static, and calls upon the Scottish Executive to enter into a dialogue with the industry with a view to developing a strategy to ensure its long term future.

11:45

The Minister for Rural Affairs (Ross Finnie): I welcome the opportunity to contribute to the debate. Since I became Minister for Rural Affairs, I have been aware of the problems in the dairy sector. One of my first public engagements was a visit to a dairy farm in Ayrshire. I was told that one or two colleagues and friends of the farmer would be there—250 turned up. He is a man who has many friends.

I have been impressed by the efforts and the commitment of those who are involved in the industry, but no one should doubt that I am also well aware of the deep-rooted problems that Adam Ingram has brought before us this morning. Acknowledging the difficulties is one thing, but finding ways and means of giving the support for which Adam Ingram calls is another. The EU dairy regime is not constructed in a way that makes direct assistance an option.

As Adam Ingram pointed out, the deregulation of the milk industry and the abolition of the milk marketing boards some years ago resulted in a structure that does not appear to permit vertical integration. It is a great pity that some of the statements that were made at the time represented the wrong interpretation of the changes.

However, faced with that situation, I have adopted a twin-pronged approach. First, I will try to find a way to provide cash assistance. I am grateful to Adam Ingram for acknowledging that I

have stuck to my guns in insisting that agrimonetary aid that ought to have been paid has been paid to the dairy sector. Although we are paying that money in full, it is not a huge injection of funds. I hope, however, that it will help. It is the first time that agrimoney has been paid to the dairy sector. The last time that such help was available was in 1997 under the Conservative Government, but the money was not paid.

Agrimoney is not enough—which is why I supported the removal of the over-30-months scheme weight limit. I hope that that will provide extra support for the dairy sector. I trust that the EU—which we have approached—will be sympathetic to that.

Many farmers in the dairy sector also keep sheep and beef cattle. Most of those animals are in less-favoured areas and will, therefore, be eligible for support from the package that I announced the other day.

Secondly, we must recognise that short-term assistance—helpful as it might be—does not address the industry's wider needs. As part of that process, I will call today for a serious debate about the future path of the agriculture industry. I will say more about that later, but I should advise members that copies of a discussion document to accompany that debate are available in the Scottish Parliament information centre. This morning's debate is, however, on the dairy industry and I want to concentrate on that.

Several developments might help to stimulate the market. The industry voted 2:1 to extend the remit of the Milk Development Council to the sponsoring of generic advertising. I welcome that development and I assure members that I will continue to oppose any proposal by the EU to stop the school milk scheme. That scheme is crucial in embedding in people at an early age the value of milk and milk products.

We want to examine the industry's long-term strategy—something that my department and I have been considering for some months. I am pleased to announce to the chamber that the Executive will fund a £50,000 industry-led study that will examine the difficulties and the opportunities faced by the dairy sector. The study will analyse the sector's problems, examine the market's requirements and draw up proposals for the future.

That is an example of good collaboration between the Scottish farming industry and the Executive. The proposal came from the food chain working group that we set up and which is chaired by the National Farmers Union of Scotland. The group comprises representatives of the Executive, major retailers, processors and primary producers. The group is tasked to examine all sectors of the

industry as part of its work; it has identified the dairy sector as a priority.

The dairy study will be led by a group made up of representatives from all sectors, including the SAOS. Its role will be to examine co-operatives, as the SAOS already does. I have to say to Adam Ingram that it has made a valuable contribution, both within the Co-operative movement and in its linkages with other bodies. I hope that the study will produce useful information and additional help, in a vexed situation.

The Executive has been taking steps to assist our farmers, but we must work within the restrictions of the common agricultural policy.

John Scott (Ayr) (Con): Does Mr Finnie accept that the £50,000 survey that he has announced is too little, too late? The dairy industry has been in terminal decline for two years. He cited the fact that agrimoney compensation had not been paid under the Conservatives; at that time the price of milk was 26p a litre, so there was no need for it to be paid.

Mr Finnie's policies mean that we will soon have nothing but trees north of Carlisle. Another study will not make any difference.

Ross Finnie: I can say only that Mr Scott is disagreeing with the food chain working group that we set up, which includes representatives of the industry and of the National Farmers Union of Scotland. It seemed to me that my proper response to the NFUS and all the members of that group, who said that a study was required, was for me to facilitate it by approving £50,000 to take it forward. I am sorry that Mr Scott wishes to disagree with the industry representatives on that, although he is entitled to do so.

In respect of this being too little, too late, I have acknowledged—as Adam Ingram pointed out—that there are deep-seated and deep-rooted problems in the dairy industry. In the short time that I have been in this job, I believe that I have taken every possible step to deal with them.

Members will be aware of the general package of support; there is more to come and it must be balanced with a longer-term view. I will address that in more detail when I make my statement later today.

I move amendment S1M-738.1, to leave out from "recognises" to end and insert:

"supports the Executive in its determination to help the dairy industry and all other sectors of Scottish agriculture as part of its overall commitment given in the Partnership for Scotland agreement to promote rural development in Scotland."

11:52

Alex Johnstone (North-East Scotland) (Con): I begin by drawing members' attention to my entry in the "Register of Interests of Members of the Scottish Parliament". They will find that I am a farmer. I should probably go a little further in this case and confess that I am a dairy farmer, which is not declared in the register but is widely known.

As I have spent my entire working life as a dairy farmer, I have been on the swings and round the roundabouts; unfortunately, in recent years, I have been going down the chute. The unfortunate circumstances in which dairy farmers have found themselves are one of the hard-luck stories of British agriculture. We have always had great sympathy for the problems facing the pig industry, but I—like many others—had always been aware that dairy farming was likely to be the next target for this unfortunate slide.

However, I feel that I must clear up one or two remarks that have been made in the debate. The suggestion that the deregulation of the milk industry might be the sole cause of the collapse in milk prices might be misleading, as in the four years after deregulation of the milk industry, we enjoyed the highest prices ever recorded for milk. During that period, we established the high value for milk, which is now taken as the yardstick to measure the lows that we have now reached.

I will now talk about those lows; a projected figure that has been quoted to me is 16.5p—Adam Ingram mentioned 16p, but I will not quibble about the figures—which is for the first time right there at world market prices. According to suggestions that have been made in the press today, those projections for milk in the year 2000-01 might be below world market prices.

George Lyon: If the European price is now below the world price, why do we need export restitutions to allow us to export products from the EU into world markets?

Alex Johnstone: I am just reading a new section, which I will continue to read.

It is suggested that the US five-year average projection for prices will be up to a penny above the 16.5p price. It has also been projected that that figure may be up to 2p below the predicted US, world free trade operated, worldwide level. Those figures are new and perhaps controversial, but they suggest for the first time today that we might be about to enter a situation where we are operating below world market prices—something that was unthinkable only two or three years ago.

It is important for us to look positively at what can be achieved. The reason why the Conservatives have not sought to amend Adam Ingram's motion is that we find no fault with it. That

is because we also believe that the steps that need to be taken to encourage the recovery of the dairy industry are set out in the motion and were expanded on by Adam Ingram in his remarks. We believe that co-operation is the way ahead.

George Lyon: Will the member give way? He cannot be allowed to get away with it. He is arguing that co-operation is the way ahead for the dairy industry. It was his party in government that destroyed co-operation in the milk industry in 1994. The milk industry fought against the break-up of the milk marketing boards at that time, but his Government drove it through and destroyed the power of the farmers in the marketplace.

Alex Johnstone: The dissolution of the milk marketing boards in 1994 need not have been the end of co-operation. The circumstances allowed the creation of a number of active co-operatives in Scotland. I was a member of one, the Aberdeen Milk Company. Unfortunately market conditions in more recent years discouraged the continuation of the co-operatives and led to the Aberdeen Milk Company being sold to one of its competitors. The dissolution of the milk marketing boards did not start the slide in milk prices.

More recently, it has become obvious that the balance has tilted too far in favour of the private processor and, in consequence, action was needed to redress that balance. That became obvious some years ago—some suggest, even before the most recent change of Government at Westminster. A decision could have been made sooner to redress that balance. Unfortunately, the Monopolies and Mergers Commission report appeared to take a rather different view.

The Presiding Officer: Conclude now, please.

Alex Johnstone: We must encourage co-operatives. They are an essential element—

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): Will the member give way?

The Presiding Officer: No, he is over time.

Alex Johnstone: I have to wind up.

As a member of a co-operative in the past, I believe that we must ensure that we strengthen them against the processor but not against the primary producer. Co-operatives should not be allowed to fine their producers for moving to rival purchasers nor to poach members from one another by offering financial inducements. If we go ahead into the brave new world of the dairy industry, we need to ensure that the co-operatives function on a clear and well-defined basis.

I welcome the news today that £50,000 has been put towards research. I hope that the money is used wisely so that we can progress to a situation where once again Scotland has one of

world's leading dairy industries, underpinned by a well-deserved milk price that reflects the effort involved. I welcome—

The Presiding Officer: That is enough—you are three minutes over time.

Alex Johnstone: I welcome the fact that the SNP raised this subject; I support the motion.

The Presiding Officer: I am afraid I will have to take time off that allowed for the closing Conservative speaker, because this is a very short debate.

11:59

Dr Elaine Murray (Dumfries) (Lab): Members will have to forgive me, as one who was raised in this city, for not knowing about the intricacies of farming. However, nobody can deny—certainly nobody who, like me, represents a dairy farming area—that over the past three years dairy farmers have been hard pressed.

As we have heard, milk prices have fallen from 25p in 1996 to 22p in 1997, to 19.3p in 1998 and to 18.3p in 1999—and there are dire predictions of further falls this year. As production costs range from 14p per litre to 22p per litre, it is not difficult to see that dairy farmers are operating very close to the edge. Farmers compare the prices that they are getting with the prices that dairy products command in the shops and, not surprisingly, ask questions. Scottish dairy products are highly regarded for their quality, yet the primary producers can barely break even.

Unfortunately, the price paid to farmers for milk is not within Government control—it is set by market forces. Over recent years, UK farmers have been affected by weakened international markets and the BSE crisis. It is unfortunate that some countries in the middle east still refuse to take UK dairy products, despite the fact that no link between those products and BSE has ever been established.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): If the price that farmers are paid for milk has fallen, why has the retail price not fallen? Is it not the case that there may be profiteering by the supermarkets? If so, why has the Labour party not referred the supermarkets to the Office of Fair Trading or ordered an investigation into the conduct of the supermarkets in respect of pricing? Is it relevant that some supermarkets have given the Labour party financial support?

Dr Murray: I find that a curious intervention. Of course I would be concerned if the supermarkets were profiteering and I believe that the issue has been referred to the Office of Fair Trading.

Another issue that I am sure Fergus Ewing will be interested in commenting on is the strength of sterling. It cannot be denied that that has contributed to the problems in the dairy industry. European Union support prices are set in euros and their value, which acts as a floor in the market, has fallen in the UK as the euro falls against the pound.

As the minister has demonstrated today, it is incorrect to give the impression that the Government, whether in Scotland or the UK, is unconcerned about the situation. That is why charges for cattle passports have been deferred and why the UK Government has agreed to pay £12 million in agrimony compensation to Scottish farmers.

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Given what the member has said about the strength of sterling, does she agree that the farming industry needs a European currency sooner rather than later, which would once and for all underpin the pricing of dairy and, indeed, all agricultural products?

Dr Murray: That is something that we must take on board when we consider whether it is in Britain's interest to join the European single currency.

John Scott rose—

Dr Murray: I must press on, or I will run out of time. I will take an intervention from Mr Scott later, as I have something to say in which I am sure he will be interested.

I am very pleased that the Minister for Rural Affairs—supported by the Rural Affairs Committee—has made such a strong case for the payment of agrimony, and I congratulate him on his success. There has also been remission of the dairy hygiene charges and an extension of the weight limit for cattle sold under the over-30-months scheme, which will be worth around £3 million—provided that the European Commission agrees to it. I should say in passing that the petition relating to that was the one petition from the National Farmers Union of Scotland that the Rural Affairs Committee did not support. However, it has been successful elsewhere. The new measures are part of a £39 million package of support to Scottish farmers that was announced after the Downing Street summit on 30 March.

As we have heard, aid on its own will not solve the underlying problems that the dairy farming industry, along with many other sectors of British agriculture, faces. That has been widely recognised. The only way in which we can tackle those problems is by the Executive and the industry working together to examine problems and identify solutions. That is why funding is being made available to provide business advice, grants

for marketing, processing and training, and a new web-based advice service.

Farmers throughout Scotland and the UK have expressed a desire to add value to their products by producing and selling foods more locally. As members know, I hate to be parochial, but I am particularly pleased that the Executive has set up a pilot project with organisations and producers in Dumfries and Galloway to examine ways of developing viable markets for locally produced goods. That has been welcomed recently in the local press. The president of the National Farmers Union of Scotland, Jim Walker, said:

“This is something that could produce very significant results in the future.”

He also said:

“If we are going to survive we have got to do something different that reflects the different cost structure and quality of the food we produce”.

The Government must recognise, as it has done, the problems that are faced in this beleaguered industry and the need for short-term assistance. I do not subscribe to the view that, because Tory Governments allowed other important manufacturing industries, such as mining, shipbuilding and steelworking, to die, a Labour Government should do the same to farming. Two wrongs, or four wrongs, never make a right. However, I believe, as does the NFU, that subsidies are not a valid long-term solution. We must work together to find solutions that stabilise the industry and help farmers to diversify—although, looking round the chamber, I see that several farmers have already found other forms of diversification—and to promote our quality Scottish products.

The Presiding Officer: This is a very short debate, so I can take only two speeches from the floor before the four party spokesmen wind up. Richard Lochhead and Mike Rumbles will each have three minutes.

12:06

Richard Lochhead (North-East Scotland) (SNP): I, too, welcome this debate, as I am a member for North-East Scotland, which is being hit particularly badly by the crisis.

Today *The Press and Journal* charts the downturn in the dairy sector in the north-east of Scotland. Referring to the sale at Thainstone, it says:

“The North-east lost another four dairy herds yesterday as the crisis in the milk sector bites at farm level.”

It continues:

“the Thainstone sale is just the tip of the iceberg. A Kincardineshire herd is tomorrow to be sold in Carlisle and another two Aberdeenshire producers are expected to

leave within the month.”

In the north-east of Scotland, dairy farmers are giving up their businesses after 30 years, or even longer—farms have perhaps been in their families for a century—so their decision is painful. The number of dairy farms in the north-east has halved in the past 20 years, and is still declining rapidly. One farmer says that for every penny reduction in the farm-gate price of milk, his business loses £13,000. We have heard that, four years ago, the net income of dairy farmers was £30,000, but according to the Executive’s figures it has fallen to £4,000.

Some farmers can concentrate on arable or beef when the dairy sector is in trouble, but smaller farmers are experiencing extremely difficult times. For many, their dairy herds are their only capital asset—but they have lost value because of the BSE crisis. Now, the produce on which they relied is also declining in value. The Executive should be doing its utmost to identify the areas of Scotland that have small farms and need priority assistance.

George Lyon: Many farming families are under severe pressure and need assistance and independent advice. Does Richard Lochhead accept the idea, which I have been pushing, that a farming task force should be established to address the problems that currently face the farming industry?

Richard Lochhead: That is not a bad idea. I read about it in the press. A few months ago, I wrote to the Minister for Rural Affairs to ask that response teams be set up for rural crises in Scotland, as happens when there are urban crises. That is one element of the strategy that we should have to help rural economies.

In the north-east, the situation is already bad because of what happened to the pig industry. The last thing we want is for the dairy sector to go down the same road and to encounter the same dither and delay from the Scottish Executive. The dairy farming sector is fragile in the north-east—it is slightly stronger in the south-west—and hanging on by its fingertips. There is a danger of knock-on effects: processors, particularly in Aberdeen and Laurencekirk, are threatened with closure; farm workers will have to go on the dole; ancillary services are threatened. This is another threat to the essential building blocks of the rural economy in the north-east.

The Minister for Rural Affairs should tell us what he is doing. Is he speaking to the Chancellor of the Exchequer about the impact on the dairy sector of the strength of the pound? What is he doing to promote innovative products? Will he stop waiting for the green light from Downing Street and act to help our dairy sector? This illustrates the argument

for independence. We need to go directly to Brussels and use our own resources to help the dairy sector, rather than go down to Downing Street with the begging bowl. Let us start fighting for agriculture.

12:10

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I would like, first, to commend Adam Ingram for bringing this issue to the attention of Parliament. Richard Lochhead started off well, so I listened carefully to what he said. It is a pity that his speech went straight downhill thereafter.

Richard Lochhead identified the fact that, at Thainstone market yesterday, we lost another four dairy herds. I believe that another herd, from Kincardineshire in my constituency, is to be sold tomorrow. The Co-operative Wholesale Society is quitting its milk production in Laurencekirk and two more Aberdeenshire producers are to leave the industry within the next month.

This is a crisis by any measure. It costs 19p to produce a litre of milk, farmers are paid 16p a litre by purchasers and supermarkets are selling at 34p a litre. Those facts speak for themselves. I am not surprised that the Office of Fair Trading is investigating this issue. Fergus Ewing might like to make a note of that.

While I welcome today's debate, I am disappointed that Adam Ingram's motion seriously misses the point. He calls on the Scottish Executive to enter into a dialogue with the industry, with a view to developing a strategy for its long-term future. Surely he recognises that that is precisely what Ross Finnie has been doing since he was appointed.

I wish to address my main points to the amendment.

Mr Jamie McGrigor (Highlands and Islands) (Con): Will the member give way?

Mr Rumbles: I cannot—I have only another two minutes.

It is clear that the Executive is determined to help the dairy industry and all other Scottish agricultural sectors. I am convinced that Ross Finnie has shown a clear determination to tackle head-on the long-term problems associated with all sectors. As Ross has intimated, at 4.15 pm today he is to make a statement in the chamber on the forward strategy for Scottish agriculture—a document we all received this morning.

It is only right at this point to outline some of Ross's landmark achievements for Scottish farmers: increasing hill livestock compensatory allowance for sheep and beef producers; funding

abattoir and passport charges for the next three years; introducing an independent arbitration service for farmers who are in dispute over the tremendous amount of form-filling associated with European Union rules; and, most recently, obtaining a £39 million package of aid for Scottish farmers—some 20 per cent of the whole UK package available. Ross Finnie: fighting for Scottish farmers and, more important, delivering for Scottish farmers.

Mr McGrigor *rose*—

Richard Lochhead: Will the member give way?

Mr Rumbles: I will not.

The aid package is not as much as we would have liked. We must remember that aid to our farming industry is available through the European Union and that therefore Westminster has a real role here. It has been a real disappointment that our Prime Minister has not had farming high enough on his list of priorities and has not produced enough agrimony compensation, and that the Westminster Government has refused to reconsider the difference between farm-gate and retail prices. As far as I am concerned, Adam Ingram's motion hits the wrong target. Competition policy is a reserved matter and direct action to help our dairy industry needs to be taken at that level of government.

In conclusion—

The Presiding Officer: Close now, please.

Mr Rumbles: Great minds think alike.

I return to the amendment in Ross Finnie's name. I have no hesitation whatsoever in commending the amendment to the chamber and I am convinced that the Scottish Executive is—under the direction of Ross Finnie—committed to helping all sectors of the Scottish agriculture industry. I only wish that the Westminster Government was so committed.

I urge all members to support the amendment.

12:13

Lewis Macdonald (Aberdeen Central) (Lab): There is no dispute, in the speeches we have heard today, about the serious fall in the farm-gate price of milk over the past three years; nor is there any doubt about the impact of that on milk producers across Scotland, from the north-east to the south-west.

Like my colleagues, I welcome the measures that were announced last week, which go a small way towards tackling some of the difficulties. They are designed to support Scottish dairy products in the market. We must not forget, however, that the market is distorted and that there is a limit to what

public subsidy can do.

Agriculture in general is a distorted market because of its dependence on public subsidy and its dependence on and vulnerability to European currency transactions. That is why it is easy to go down the road, along which Adam Ingram started when he opened the debate, of saying that all the woes of agriculture in general, and of dairy farming in particular, can be laid at the door of Government policy. I am glad that Mr Ingram did not confine himself to that approach and that he went beyond it to identify some of the other difficulties and to recognise the role of the market itself.

Richard Lochhead: Will the member accept that the strength of the pound is a major factor in the detrimental impact on the dairy sector in Scotland and that that is a policy that is decided by the Government at Westminster?

Lewis Macdonald: I recognise that the strength of the pound is part of the problem, but I look forward to hearing from the SNP its policy preference for a weak pound and the consequences of that for the Scottish economy. It is also worth pointing out that the same currency weaknesses apply in relations between Northern Ireland and the rest of the European Union, yet the farm-gate price in Northern Ireland is 2p higher.

Mr McGrigor: Is the member aware of the tragic circumstances faced by the farmers of Islay, where the creamery has closed? They have no means of selling their milk other than by transporting it off the island. Is he also aware that Islay cheese is famous throughout the world—

Mr Stone *rose*—

Mr McGrigor: —not only for being delicious, but for its Viagra-like qualities?

The Presiding Officer: Order. We do not have time for commercials.

Lewis Macdonald: I am indeed aware of that. I am also aware that Mr McGrigor has probably stolen Mr Stone's best line on the subject.

The abolition of the milk marketing boards, as the minister said, undermined the market position of the milk producers. Mr Johnstone made the case that that was no big deal and said that, in fact, the price of milk went up immediately after abolition. The point is that the milk marketing boards helped the industry to protect itself against both rises and falls in price and to maintain a stability that we no longer have.

Mr Stone: In view of the 1994 shambles, which Mr Lyon touched on and which was at the hands of the Conservative party, and the Conservatives' ludicrous position on a single European currency as spearheaded by Mr Wee Willie Hague, does

Lewis Macdonald agree that Jamie McGrigor is shedding crocodile tears?

The Presiding Officer: You must wind up now.

Lewis Macdonald: I do not want to dwell for my last few seconds on the European currency, but I concur with Jamie Stone's comments on the crocodile tears.

It is worth mentioning the internal distortions in the market. I acknowledge what the minister said about involving the whole industry in examining the way forward, but it is impossible to live in Aberdeen, as I do, and not be aware of how the processing stage in the supply chain has come under the control of one or two very large companies and of the market distortions that that produces. I hope that an examination of monopoly at that stage in the supply chain will be part of the consideration when the market is studied and the future strategy for agriculture is outlined.

12:17

Alex Fergusson (South of Scotland) (Con): I remember your earlier strictures, Presiding Officer.

In declaring my interest, I point out that from my perspective as a hill sheep farmer, my view of my dairy colleagues was traditionally one of innate jealousy. My annual contact with them was always at the end of March, when it came to paying for the wintering. For those who do not know, that is a system whereby my young female sheep stock spent the winter vastly improving the fertility of a dairy farm—through the natural fertilisation techniques that all farm animals possess—in return for the host dairy farmer charging me an unforgivably large sum of money for the privilege.

The dairy farmer always seemed to be in a win-win situation. That that is no longer the case cannot be denied. We have heard the figures this morning; they have been put eloquently by members from all parts of the chamber. We have read about the consequences and we have seen the pictures of calves being shot, milk being spread on fields and so on. Labour has been shed—not the Government sadly, but labour on farms. Off-farm work has been taken on and most forms of diversification have been undertaken as the squeeze has hit over the past few years.

Cathy Jamieson: Will the member give way?

Alex Fergusson: With two minutes? I do not have time. I am sorry.

Cathy Jamieson: Shame.

Alex Fergusson: The member will have to speak to the Presiding Officer—and to Alex Johnstone.

The industry has reached unsustainability. Only

this week, a creamery in Kirkcudbright has laid off 19 workers as it cuts production of ultra-heat-treated milk because of importation of UHT milk from France. The influence, Mr Stone, of a weak euro cannot be denied; that is why agrimony compensation exists.

It would be easy to say that the dairy farmer could just give up farming. Of course he could, but in all probability he would turn to sheep and beef production. My concern, and something that the Executive has to be very careful about, is that that should not lead to a seismic shift in beef production—away from our hills and uplands—as it is taken up by dairy farmers. Such a shift has already begun. It would seriously affect the balance of Scottish agriculture, which the Executive must pursue with vigour.

Balance will not be easy to achieve; in essence, sorting out the medium and long-term future for the dairy industry occupies the first step on the ladder and holds the key. For that reason, and that reason alone, I support Adam Ingram's motion, which encourages direct contact with the dairy industry.

12:20

Ross Finnie: This has been a useful, although perhaps too short, debate on an important aspect of agriculture. I hope that we will soon have a longer debate.

I think that Alex Fergusson has missed the point about deregulation. Although it is possible to talk about the evidence of prices immediately following deregulation, deregulation has led to a fundamental structural weakness in the industry. I think I share with Adam Ingram the view that we all misread what was being said by the MMC at that time. Because no one was suggesting that Scotland was a market in its own right in that context, vertical integration could have been pursued.

Some American statistics were mentioned, which I think we all found rather confusing. Members should be careful about saying that things were going well when agrimony was not paid in 1997. I seem to recall that the price was 18.8p a litre and on a severe downward trend. That is a statistic that members might want to revisit.

The director general of fair trading conducted an inquiry into the profitability of the four main supermarkets and concluded that there was a level of profitability that required further investigation. Accordingly, he referred the whole supermarket sector to the Competition Commission. A report will be submitted to the Secretary of State for Trade and Industry some time later this year. The points that members

raised were fair and the issue is being addressed.

I would say to Richard Lochhead that of course we must get whatever support we can. Even if Scotland were an independent country in the European Union, it would still be constrained in what it could do financially. I am sorry about that, but it is a fact. It is not easy to produce money and then introduce it to the agricultural sectors. Even if those sectors are not well supported, they still come within the regulations and it is difficult for us to find money.

Richard Lochhead: Will the member give way?

Ross Finnie: No, I am sorry. I have only a minute or so left. I must conclude on the point that I am making.

I have always recognised that there are serious short-term difficulties. I hope that members will accept that the Executive seriously intends to deal with many issues: trying to get part of the package that is directed to the dairy sector; full payment of the agrimony; the OTMS; the other regulations; the benefits that some will get from the less favoured areas support—

Fergus Ewing *rose*—

Ross Finnie: No, I am concluding my speech.

I hope that members will also accept that, in looking for a longer-term solution, the work that was initiated by the food chain working group has to be taken forward. The Executive was entirely right to allocate £50,000 to ensure that that would happen.

Richard Lochhead *rose*—

Fergus Ewing *rose*—

Ross Finnie: The Executive is addressing those issues. I commend the amendment in my name to the chamber.

12:23

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I was talking to the minister just before this debate began. He said that on this, the last day before the recess, we are debating agriculture this morning and listening to a statement on agriculture this afternoon. I hope that that gives the lie to those in the country who say that the Parliament is not concerned with the needs of rural Scotland.

I would like to declare my own special interest—unlike Elaine Murray, I do not mind at all being parochial. Galloway, and especially Wigtownshire, may on occasion be slightly more damp than I would like, but that dampness means that it can grow some great grass, which is obviously excellent for the dairy industry.

We have heard a lot about the problems of the dairy industry—I do not think that I need to rehearse them. The need to stimulate demand through marketing has been referred to. We need to do that not only for industrial reasons, but for health reasons. It is ironic that it is still far too easy for children to get crisps and sweet drinks at school, but very difficult for them to get milk, which is obviously far better for their health as well as far better for the dairy industry.

We have not touched on the problems that some specialist cheese producers believe they face. They feel that they are being overly burdened by regulations by the Government. A UK select committee referred to that earlier this year.

One thing that emerges from the discussion is that there is no clear consensus on the way ahead. Soon after I was elected as an MP, I had a meeting with the NFU in Glenluce in Wigtownshire, which was attended by 15 dairy farmers. After listening to them batting around the issues I asked what they wanted me to do. They gave me some 15 answers, if not 16. That reflects some of the problems of the industry. Even the House of Commons Agriculture Committee concluded:

“There is no obvious way out of this dilemma.”

Some people see the quota scheme as one of the problems. Again, there is no consensus on what should be done. The Agriculture Committee argued for the abolition of the scheme, although that needs agreement at a European level. We need to end the nonsense that means that farmers would not encourage their children to go into the dairy industry, but would be ready to encourage them to become quota brokers, because that is currently the way to make money in the industry. That must be changed.

There has not been a shortage of suggestions. It has been suggested that we encourage vertical integration and investigate where the profits are being made in the supply chain. It has been suggested that we increase dairy marketing, although that is hardly a new idea. Adam Ingram suggested that we get Scottish Enterprise involved. Perhaps we need to improve the mechanism through which the industry gets funding. John Duncan, the chairman of Scottish Milk, has said that

“outside the fresh liquid sector, practically no significant investment in new plant or infrastructure has happened in the last 10 years.”

That may be part of the problem.

We need a strategy to draw all those suggestions together. We can come up with short-term financial palliatives—we would welcome any contributions the Government would care to make—but we need a long-term strategy. Before I

heard the minister’s comment, I was going to say—reluctantly, because I am against setting up yet another review group or committee—that there was a case for getting all sectors of industry and Government together to come up with some clear points for action.

The minister put a tag of £50,000 on the group that he is setting up. I am not quite sure what that money will be spent on. I wonder whether the group will go far enough or be sufficiently comprehensive. We need a guarantee that the group will examine all the possible strategies and report quickly and that Government will implement its recommendations where it has the power to do so.

No industry should be immune to economic forces and no industry is owed a living by Parliament or the taxpayer, but agriculture, and particularly the dairy industry, is far too important to rural Scotland to let the current restructuring happen by default or accident. We must manage our way out of the crisis. Government has an important part to play in that process.

Finally, I want to comment on Adam Ingram’s motion. I cannot understand what the Government and the minister see in it to argue about. As far as I can tell, it is the same as what the minister said in some of his speech. I hope that he will have the grace to withdraw the amendment and support the motion. Apart from the fact that the amendment is slightly more complimentary to the Executive than the motion, the motion is something around which we can all unite. On this occasion, I hope to persuade the Executive to withdraw its amendment.

The Presiding Officer: That concludes the debate. The votes will take place at decision time at 5 o’clock.

Business Motion

The Presiding Officer (Sir David Steel): The next item on the agenda is business motion S1M-739, in the name of Mr Tom McCabe.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 26 April 2000

2.30 pm Time for Reflection
followed by Ministerial Statement
followed by Committee Business
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business – debate on the subject of S1M-632 Tavish Scott: Environmentally Sensitive Areas Scheme

Thursday 27 April 2000

9.30 am Ministerial Statement
 10.00 am Stage 1 Debate on the Ethical Standards in Public Life etc. (Scotland) Bill
followed by Financial Resolution on the Ethical Standards in Public Life etc. (Scotland) Bill
followed by Business Motion
 2.30 pm Question Time
 3.10 pm First Minister's Question Time
 3.30 pm Stage 1 Debate on the Abolition of Poidings and Warrants Sales Bill
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business – debate on the subject of S1M-718 Irene Oldfather: Relocation of Maternity Units

Wednesday 3 May 2000

2.30 pm Time for Reflection
followed by Stage 3 of the Abolition of Feudal Tenure etc. (Scotland) Bill
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 4 May 2000

9.30 am Non-Executive Business - Scottish Conservative & Unionist Party
followed by Business Motion
 2.30 pm Question Time
 3.10 pm First Minister's Question Time
 3.30 pm Executive Business

followed by Parliamentary Bureau Motions

followed by Members' Business.—[*Jain Smith.*]

The Presiding Officer: The question is, that motion S1M-739, in the name of Mr Tom McCabe, be agreed to.

Motion agreed to.

12:30

Meeting suspended until 14:30.

14:30

On resuming—

The Presiding Officer (Sir David Steel): We begin this afternoon with question time.

Tommy Sheridan (Glasgow) (SSP): On a point of order.

The Presiding Officer: Is it a point of order about question time?

Tommy Sheridan: It is a point of order about today's business.

The Presiding Officer: We will take it after question time.

Question Time

SCOTTISH EXECUTIVE

Thalidomide

1. Dorothy-Grace Elder (Glasgow) (SNP): To ask the Scottish Executive whether it has had any discussions with Her Majesty's Government concerning Scotland's surviving thalidomide victims. (S1O-1506)

The Minister for Health and Community Care (Susan Deacon): The Scottish Executive has not been involved in any discussions about thalidomide victims.

Dorothy-Grace Elder: I realise that the minister and the Executive are not responsible, but would she agree that the production of the drug thalidomide led to the greatest commercially caused child tragedy of the past century?

The successor to the distillers and distributors of the drug—Diageo, a multinational company—made a £1.5 billion profit last year and owns many companies, including Haagen-Dazs, Guinness and Burger King. Does the minister agree that pressure should be put on Diageo to aid the thalidomide victims who are suffering today—people without arms and legs, who are now middle-aged?

Susan Deacon: All of us in this chamber will agree that what happened to the thalidomide victims was a real tragedy. We all have a responsibility to ensure that such a tragedy is not repeated in the future.

The Executive has received no approach from the Thalidomide Trust. The matters that Dorothy-Grace Elder raises should be discussed directly between that trust and Diageo. It would be inappropriate for the Government, north or south of the border, to intervene. That is not for a

moment to say that we do not recognise the issues that the question raises. We recognise the tragic nature of what happened all those years ago.

European and Monetary Union

2. Tavish Scott (Shetland) (LD): To ask the Scottish Executive what assessment it has made of the impact on the Scottish economy of sterling remaining outside the European single currency. (S1O-1498)

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): The decision on UK membership of the European single currency is a reserved function. No specific assessment has been made by the Scottish Executive, although the parties inside and outside the Executive clearly have distinct views on this issue.

Tavish Scott: The minister will be aware that the international food exhibition in Glasgow finishes today. I have spent two days there, promoting Shetland and helping Shetland companies sell produce. Is the minister aware that many export companies are concerned about the need for stable exchange rates and a positive entry into the euro zone, given the right conditions?

I accept that monetary policy is a reserved matter, but does the minister recognise the need for the Scottish Executive to lobby the Chancellor of the Exchequer on this issue, not least because of the need to have strong political leadership on the euro?

Nicol Stephen: I fully recognise the need to keep Scottish business competitive and to encourage exports, especially to our major export markets in the European Union. There is a particular need to support small and medium businesses in the manner that Tavish Scott has highlighted. Highlands and Islands Enterprise and Scottish Enterprise are active in that regard, but everyone in this chamber will want us to refocus and increase our efforts to encourage exports. That will be a key element of the review of the enterprise networks.

Alex Neil (Central Scotland) (SNP): There is a need to maintain the competitiveness of Scottish exports and industry. What is the minister's view on the existing value of sterling? Is it too high, too low, or just about right?

Nicol Stephen: As the member is aware, those matters are reserved.

Alex Neil: But what is the minister's view?

Nicol Stephen: As a Liberal Democrat, I have clear views on the importance of joining the single European currency. As I have said on many

occasions in this chamber and elsewhere, having a currency that is low or devalued is not in itself a good thing. Everyone in this country wants a stable currency—

Tommy Sheridan (Glasgow) (SSP): Stable and high, or stable and low?

Nicol Stephen: A stable currency will encourage the development of exports in the way that I described.

Irene Oldfather (Cunninghame South) (Lab): Does the minister agree that, for the first time in a long while, options are open, not closed, that the approach is constructive, not destructive and that decisions are based on pragmatism, not on outmoded ideology? The people will decide on entry into the single European currency, because we have confidence in the people to decide that matter in a referendum.

Nicol Stephen: There is a growing view among all parties in this chamber, except the Conservative party, that joining the euro is a good thing. I hope that it will take place in due course. However, no one is suggesting that it will happen soon, nor that it should happen without a referendum. In the meantime, we must try to encourage the development of exports in the way that Irene Oldfather and Tavish Scott described, and in every other way that we possibly can, by using the powers of this Parliament and of this chamber.

Military Bases (Closure)

3. Lord James Douglas-Hamilton (Lothians) (Con): To ask the Scottish Executive whether it will make representations to Her Majesty's Government in support of dispersal of services personnel to Scotland, in the light of anticipated or possible closures of military bases in England. (S10-1500)

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): I understand that consideration of those matters within the Ministry of Defence is at an early stage. The Scottish Executive will maintain contact with the MOD on those issues and will make representations as soon as appropriate.

Lord James Douglas-Hamilton: I thank the minister for his answer.

Is the minister aware that many army bases exist in the south of England for historical reasons, as they were established there so that there would be a sufficient military presence to repel any possible invasion by Napoleon's army? Does he agree that today, some 200 years later, it is time for a reassessment, so that the merits of the barracks at Bridge of Don in Aberdeen, Fort George and Inverness are properly taken into

account?

Nicol Stephen: I was not aware of all those details. However, I am pleased that the chief executive of the Army Training and Recruiting Agency has prepared a document on strategic development, which was submitted to the Army Board on 30 March. It appears that, as a result of that review, there may be a shift northwards in the training element of the army. If that shift were to benefit the barracks at Bridge of Don in Aberdeen or the other barracks to the north, I would be the first to welcome it. If the Executive is able to do anything to encourage such a shift, we will do so and we will keep closely in touch with the issue.

Colin Campbell (West of Scotland) (SNP): Should the MOD so decide, would the minister be prepared to advocate that Scottish units should be stationed at those barracks, on the basis that they will be closer to home, their travelling expenses will be lower and recruitment and retention rates will improve if families are kept close to those bases?

Nicol Stephen: I have not read every page of that document, but I understand that it follows the logic that Colin Campbell just described. There is a desire to match training and recruitment facilities with the areas from which recruits come. If that logical approach progresses, it will clearly mean good news for Scotland. We would like to encourage that approach.

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Given the minister's supportive comments on the dispersal of service personnel, will he exhort his colleagues in the Executive to support me, by dispersing the battalions of civil servants to areas such as Caithness, Sutherland and Easter Ross?

The Presiding Officer: That question is not in order.

Ayr College

4. John Scott (Ayr) (Con): To ask the Scottish Executive what funding it has allocated, committed or underwritten in respect of the extension to Ayr College and the proposed school of music and recording technology (SMART) at Dam Park, Ayr. (S10-1512)

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): The Scottish Executive does not fund further education colleges directly. Since 1 July 1999, that has been the responsibility of the Scottish Further Education Funding Council. I understand that neither the council nor, in the period prior to last July, the Scottish Office allocated funds specifically to either of those projects. However, one of those projects is currently under way, and that is encouraging.

John Scott: Given the positive response from the Strathclyde European partnership to the possibility of funding for that project, which is a key development in my constituency, will the minister indicate when he expects the overall transition funding scheme for objective 3 to be in place?

Nicol Stephen: There are two distinct projects. The extension is a £9.18 million project, which is proceeding, as John Scott said, with a significant commitment of funding from the European regional development fund, from the college itself and from bank borrowing. The SMART project, which is believed to be a £10 million to £14 million project, has not yet been agreed. However, both are significant and exciting projects that show the momentum at Ayr College.

In 1999-2000, Ayr College received an extra 17.5 per cent in funding, which represented, in hard cash, an additional £1 million. This year, there will be a further expansion of funding to FE colleges. Henry McLeish announced an increase across Scotland of more than 7 per cent, and I anticipate that Ayr College will get at least its share of that money.

Social Exclusion

5. Scott Barrie (Dunfermline West) (Lab): To ask the Scottish Executive whether it has considered undertaking an assessment of the contribution that arts and sports can make to tackling social exclusion. (S10-1509)

The Deputy Minister for Culture and Sport (Rhona Brankin): The Scottish Executive's social inclusion strategy identifies the important role that the arts and sport can play in promoting social inclusion. That will be reinforced by the national cultural strategy, which will be published this summer. The Scottish Executive, in collaboration with the Scottish Arts Council and sportscotland, has commissioned consultants to carry out a study on the role of the arts and sport in regeneration in Scotland. Those reports are nearing completion and will be published in the near future.

Scott Barrie: Will the minister assure me that, in developing social inclusion partnerships, full account will be taken of the important contribution that the arts and sport can make?

Rhona Brankin: I can give Scott Barrie that assurance. We recognise the importance of arts and sport in the development of social inclusion partnerships. The Scottish Arts Council has developed a new arts and social inclusion national lottery scheme, under which some awards have already been announced. The scheme is targeted at the 47 designated social inclusion partnerships and will study the role that arts can play. Over the next three years, sportscotland will also be targeting each of the social inclusion partnerships

to ensure that sport plays its full role in the process.

Dennis Canavan (Falkirk West): Does the minister accept that more access to the countryside would give opportunities to socially excluded people to participate in outdoor sport and artistic pursuits? In view of the current concern about the ownership of the Cuillin and Ben Nevis, will the Scottish Executive take action to ensure that Scotland's natural heritage is recognised as the property of all the people of Scotland, rather than as a playground for a few privileged landowners and their rich pals?

Rhona Brankin: Only part of that question falls within my area of ministerial responsibility. It is important for everybody to have access to sport and recreation. We know how important that is for people's health and enjoyment.

Irene McGugan (North-East Scotland) (SNP): Does the minister agree that, for many young people who experience disadvantage, schools can provide the first and best opportunity to experience and participate in sport and the arts? Is it not therefore a matter of concern that, because of local authority budget cuts, many education departments are saving money by reducing or cutting out all together from the curriculum subjects such as arts and sport? How does the minister feel that that addresses or tackles social exclusion?

Rhona Brankin: I am satisfied that this Executive is committed to promoting physical activity and sport in schools. In fact, the member will be aware of the school sports co-ordinators programmes that already are in 200 secondary schools, and we have a pilot project in primary schools. As part of the development of the national cultural strategy we are looking closely at the importance of education in the arts and culture for our young people.

Kinlochleven Aluminium Smelter

6. Rhoda Grant (Highlands and Islands) (Lab): To ask the Scottish Executive, in the light of the closure of Kinlochleven aluminium smelter in June, what plans it has to ensure that workers who have lost or will lose their jobs will receive all the help possible to achieve employment in the future. (S10-1496)

The Deputy Minister for Enterprise and Lifelong Learning (Nicol Stephen): The work force numbers 55, and the current estimate is that 30 to 35 employees will be without work when the factory closes. A number of agencies, led by Lochaber Ltd, and including the Benefits Agency and the Employment Service, have been providing support and advice. Highland Council, Lochaber College and the citizens advice bureau have also

been closely involved.

Rhoda Grant: Will the minister agree to help those local agencies to market the facilities of the business units which are ready for occupation in Kinlochleven, thus ensuring that new businesses move into the area prior to June? That would go some way toward alleviating the economic hardship that will face the area when the smelter closes.

Nicol Stephen: The Scottish Executive would be prepared to assist in any practical way that it can. The lead is obviously being taken by Lochaber Ltd, but I agree that in the short term action is required, and also measures to secure employment opportunities in the area in the medium to long term.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Is the minister aware that opinion in Kinlochleven is at best divided on the question of whether the millions of pounds that have already been expended in Kinlochleven have been wisely spent? Does he accept that it is essential that the local people in Kinlochleven are fully involved in any regeneration proposals, which are otherwise likely to be imperfect at best? Does he accept that Kinlochleven needs and deserves a major employer to be brought in? That should have been the Government's focus for the past three years, and that must be the focus from now on.

Nicol Stephen: I am not sure that I would agree with that as an approach to rural regeneration. Involving the local community on one hand, while saying on the other that what is needed is a single major employer to come into an area is inconsistent. The environmental and economic regeneration of the village, as with many other areas, is crucially important, and work is being undertaken by Kinlochleven Land Development Trust. I firmly believe in the involvement of local people in those initiatives. There is no single solution. Encouraging enterprise at the local level and involving local people should always be a crucial element of any such programme.

Mr John Munro (Ross, Skye and Inverness West) (LD): In view of the extensive and excellent work previously undertaken and supported by the Kinlochleven project, Highlands and Islands Enterprise, Lochaber Ltd and Highland Council, will the minister ensure that that support continues through the Scottish Executive?

Nicol Stephen: As I have indicated, we are determined that that support should continue. The number of jobs involved is significant in a small community. The range of agencies that I have described can make a properly resourced and properly focused impact. If the Scottish Executive can play a greater role, I would be happy to hear

from the local MSPs their suggestions for support, and I will undertake to carry that forward.

Transport (Lanarkshire)

7. Mr Michael McMahon (Hamilton North and Bellshill) (Lab): To ask the Scottish Executive what progress has been made on developing multi-modal transport initiatives in Lanarkshire. (S10-1507)

The Minister for Transport and the Environment (Sarah Boyack): On 30 March we appointed the MVA Consultancy Group Ltd, experienced international consultants, to undertake the preliminary stage of the studies for the A8 and A80. We expect their report by the end of July.

Mr McMahon: Is the minister aware of a proposed development at the Mossend rail freight terminal in my constituency, which is aimed at expanding further the road-to-rail initiative that she recently supported at the Safeway depot in Bellshill? Is she aware of any obstacles to that development which might be the result of a restrictive interpretation of plans for the neighbouring Eurocentral site? Surely the development of both sites is possible and should have the support of ministers. Continued progress will assist in the growth of the manufacturing and service sectors in Lanarkshire.

Sarah Boyack: Michael McMahon has correctly pointed out that we need to ensure that when major investment decisions are made, linkages are also made and that our approach to transport should be integrated. We must examine the joint opportunities that can come from development. That is the point of our multi-modal studies.

Linda Fabiani (Central Scotland) (SNP): I note that the report is expected at the end of July. Will the minister give a definite date for completion and publication of the report, and will she tell members the target dates for commencement of work on the M74 extension and the Larkhall rail link?

Sarah Boyack: The purpose of the review is to produce a scoping study from which we can take forward the main multi-modal work that will examine those corridors. That is a huge and complex piece of work. The purpose of the strategic roads review, which I announced in November, is to allow us to move ahead on five key roads and to ensure that we get our decisions right in the long run. We must examine all the options in road and rail and the use of those networks to ensure that future investment is properly justified and maximises opportunities in central Scotland.

Genetically Modified Organisms (Test Sites)

8. Mr Kenny MacAskill (Lothians) (SNP): To ask the Scottish Executive what assurances it can give that pollen from GM test sites will not be allowed to contaminate the wider environment. (S10-1532)

The Minister for Rural Affairs (Ross Finnie): The independent Advisory Committee on Releases to the Environment—or ACRE—considers the effects of pollen transfer from all GM test sites. Its scientific advice is that pollen transfer does not give rise to any unacceptable environmental safety issues.

Mr MacAskill: This is a matter that causes some concern. Will the minister insist that the test sites are subject to the same requirements as other activities such as driving a car or running a medical, legal or dental practice? Such pursuits must have mandatory public liability insurance. If there is a claim for compensation against a GM test site, what guarantee can neighbouring farmers and others have that they will receive recompense?

Ross Finnie: Mr MacAskill is well aware that that issue is currently under consideration in terms of the European directive. He must accept that although there is a clear case for mandatory public liability, there must be a link with environmental regulations. The UK Government is not opposed to Mr MacAskill's suggestion, and neither am I, but we must wait for the outcome of discussions, which are at quite an advanced stage.

Dr Richard Simpson (Ochil) (Lab): I do not wish to undermine the seriousness of the GM debate, but I have considerable concerns about the environmental impact of the overuse of pesticides in Scotland. Can the minister outline the measures that are in place to ensure that the use of pesticides does not contaminate the wider environment?

The Presiding Officer: Questions must be about GM test sites.

Robin Harper (Lothians) (Green): Will the minister enlighten members regarding what he considers to be acceptable and unacceptable risks in respect of pollen transfer?

Ross Finnie: I am advised by independent scientists. The scientific representatives on ACRE are all experts and have an interest in the area with which they are concerned. Scientific risk, as Robin Harper will be aware, is not an absolute. There must be balance. The scientists are not in the business of destroying the areas in which they operate. They assemble all the evidence from all the tests and they base their conclusions on that. They are experts, and unless there is clear evidence that suggests that they are misguided,

we are entitled to accept their judgment.

NHS Fraud

9. Mrs Margaret Smith (Edinburgh West) (LD): To ask the Scottish Executive whether there are plans to tackle fraud in the NHS in Scotland by introducing a body with a remit similar to that of the directorate of counter fraud services. (S10-1499)

The Minister for Health and Community Care (Susan Deacon): A fraud investigation unit is being established within the Common Services Agency of the NHS in Scotland to tackle fraud by patients and by family health service practitioners.

Mrs Smith: I am pleased to hear that we are tackling the problem of fraud and are sending a clear message that fraud against the NHS is socially unacceptable.

Has the Scottish Executive analysed whether the phased introduction of redesigned prescription forms has decreased the incidence of prescription-based forgery and theft in the NHS in Scotland?

Susan Deacon: Margaret Smith's question rightly indicates that a range of measures must be taken if we are going to tackle fraud effectively. We must tackle it effectively because it is wrong that significant sums of money do not go into patient care, as they should do, because of abuse of the system. I hope that all members agree that we are right to come down hard on those practices when they occur.

Different controls have come into place in relation to the dispensing of prescription. Evidence shows that those changes are having a positive impact. I hope that the new unit that has been established will inform our work in this area. It will have a role to deter, to detect and to investigate fraud. We will use its work to ensure that those who can and should pay do so and that, although only a small number is involved, any practitioner within the service who seeks to abuse the service will be stopped at the earliest possible stage.

Phil Gallie (South of Scotland) (Con): Will the minister say what effects the Regulation of Investigatory Powers Bill will have on fraud in the NHS?

Susan Deacon: Mr Gallie's line of questioning is, as ever, interesting and unusual. I will be happy to come back to Mr Gallie with a precise answer to his question. I assure him that we work hard to ensure that the wider regulatory regime within which we operate, which includes data protection regulation—also an area of great change—is used effectively so that when we develop policies and practices within the NHS it is as part of that wider regulatory arrangement.

Public Services (Community Participation)

10. Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): To ask the Scottish Executive how it intends to encourage effective and genuine public and community participation in decision making at local and national level with regard to the provision of public services. (S10-1517)

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): The Executive is committed to civic participation. The public can make a real contribution to better policies at both local and national level. We are encouraging that contribution through our support for the Scottish Civic Forum, through the £3 million listening to communities programme, through the £10 million working for communities programme and through increasing use of the possibilities offered by the internet.

Ian Jenkins: Within the past few weeks, I have had letters from five or six community councils—Peebles, Selkirk and some in Midlothian—which feel that they are not able to influence decisions that affect their communities. How is the Executive progressing in making moves to democratise quangos? What moves is it making in the directions recommended by the McIntosh commission to strengthen the role of community councils? Can we look forward to the implementation of proportional representation in local government elections?

Mr Wallace: Like Gaul, that question is in three parts.

Mr Jenkins will recall that, during the run-up to the Parliament, the consultative steering group went round the country trying to encourage participation in producing ideas for this Parliament. I remember being in Galashiels, in the member's constituency, as part of the CSG, when the contribution from the community councils was strong. We want to hear views from community councils. Opportunities now arise through the internet, on the many issues on which the Executive is consulting, for people to make their contribution.

I welcome the fact that the McIntosh commission wanted community councils to be strengthened. They are an important way in which people can contribute to their local communities. Mr McConnell has announced consultation on public appointments and Wendy Alexander has introduced proposals for reform of Scottish Homes, which will make it more accountable.

As I said recently, I believe that making progress with regard to the electoral system for PR, as agreed in the partnership agreement, is one of the ways in which we can strengthen local government. I look forward to the report of the Kerley committee, which will be produced soon.

That will give us the basis on which we can make further progress on this issue.

Mr David Davidson (North-East Scotland) (Con): I appreciate the Minister for Justice's acknowledgement of the importance of community councils. Will he confirm the current level of financial support offered by the Executive to the Association of Scottish Community Councils, of which I was founding chairman, compared to that given by Michael Forsyth as Secretary of State for Scotland?

Mr Wallace: I do not have the amount to hand. In recent months I have met representatives of the Association of Scottish Community Councils and had a useful exchange of views. I repeat that the Executive very much supports the work that community councils do and finds them a very useful channel for local views. I encourage community councils to make use of the consultation processes that we are encouraging.

Tommy Sheridan (Glasgow) (SSP): On the democratisation of decision making in relation to young people, does the minister agree that the Executive should consider a youth committee to work with the youth parliament?

Mr Wallace: Setting up committees is a matter for Parliament, not the Executive. I attended a meeting of the youth parliament last summer. Another meeting is planned, and I think that we ought to be encouraging young people. That is why I welcome Sam Galbraith's seeking the views of young people and school pupils in the consultation process on the education bill. We also sought the views of young people in the consultation paper that I issued on smacking.

Sellafield

11. Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): To ask the Scottish Executive whether it has any environmental concerns relating to pollution caused by Sellafield. (S10-1514)

The Minister for Transport and the Environment (Sarah Boyack): The Scottish Executive is concerned about any instances of environmental pollution in Scotland. A comprehensive programme of routine monitoring of environmental radioactivity in Scotland is carried out by the Scottish Environment Protection Agency. It can detect radioactive discharges from Sellafield. The monitoring results show that doses to the most exposed members of the public in Scotland are well below the internationally recommended dose limit of 1 mSv.

Full details of the monitoring and assessment of radioactive pollution around the Scottish coast are published annually in the "Radioactivity in Food and the Environment" report. A copy of the current

report is in the Scottish Parliament information centre.

Alasdair Morgan: Does the minister agree that any increased radioactivity in, for example, shellfish and seaweed, as is found around the coast of the Solway, is a matter for concern? Will she join the Norwegian, Icelandic and Irish Governments in asking for all liquid discharges and reprocessing at Sellafield to be stopped?

Sarah Boyack: That is why we are committed to effective monitoring of the environment to give clear information about radioactivity. SEPA concentrates on looking at the marine and coastal environment, as Alasdair Morgan suggests, to determine the impact of liquid radioactive discharges from Sellafield on the Scottish environment. Following a recent review, SEPA has expanded that activity beyond Dumfries and Galloway to the entire west coast of Scotland, so that we have more accurate information on the levels in the environment. That is very important.

David Mundell (South of Scotland) (Con): Does the minister agree that it would be unfortunate if difficulties at Sellafield were to reflect on the Chapelcross nuclear power station at Annan, which is an important employer in lower Annandale and has the support of the local community?

The Presiding Officer: Order. That has nothing to do with Sellafield.

M8 (Multi-modal Study)

12. Mr Gil Paterson (Central Scotland) (SNP): To ask the Scottish Executive what progress it has made to date with its multi-modal study of the M8. (S10-1535)

The Minister for Transport and the Environment (Sarah Boyack): I refer Mr Paterson to my answer a few minutes ago to Michael McMahon.

Mr Paterson: The study is not on the fast track. Is the minister aware that John Prescott has announced the completion of the Carlisle to Gretna stretch of the M6, which I am sure that most people in the chamber will welcome? Will the minister make an announcement about the completion of the M8 study?

Sarah Boyack: The initial scoping study will be completed by this summer. In the autumn, we will appoint consultants to carry out the main study, which we anticipate will take around 18 months to complete.

Elaine Smith (Coatbridge and Chryston) (Lab): On the multi-modal study of the M8, does the minister agree that there are particular concerns about the safety record of the Shawhead junction in my constituency? Can she give any

indication of the steps that might be taken to reduce the number of accidents and to tackle the excessive congestion at that junction?

Sarah Boyack: We can in a variety of ways tackle the problems that Elaine Smith mentions. We can do so through our road safety targets, which seek to reduce the number of accidents on our roads, and by ensuring that when we carry out routine maintenance work, as in the £440 million investment programme announced last week, we examine what safety improvements can be made. On congestion, traffic corridors will allow us to maximise the opportunities for public transport and to manage our public roads infrastructure more effectively. A combined approach is needed to tackle the problems that have been described.

Film Commission (North-east Scotland)

13. Richard Lochhead (North-East Scotland) (SNP): To ask the Scottish Executive whether it supports the establishment of a film commission in the north-east of Scotland. (S10-1502)

The Deputy Minister for Culture and Sport (Rhona Brankin): I understand that the local authorities and Grampian Enterprise will be discussing with Scottish Screen a proposal to establish a film commission for the north-east of Scotland.

Richard Lochhead: I am delighted to hear that, at long last, there is movement, as I have been asking those bodies to do that for months. I welcome the launch on Tuesday of "Film Location: Scotland", which I understand the minister will be attending. That document is very worth while and will be read by film producers around the country. It will contain a list of regional film offices throughout Scotland, but the north-east of Scotland will be absent from that list because there is no film initiative in the area. The north-east of Scotland contains an array of attractions, so will the minister write to local agencies to ask them to introduce such an initiative as soon as possible?

Rhona Brankin: It is clear that film commissions play an important role in the film industry in Scotland. As the member knows, film commissions are currently funded by local authorities, in partnership with local enterprise companies. Scottish Screen is keen for us to have film commissions that cover the whole of Scotland, and we support that.

Planning (Glasgow)

14. Ms Sandra White (Glasgow) (SNP): To ask the Scottish Executive what action it proposes to take regarding the planning permission granted by Glasgow City Council in respect of 7 and 8 Alfred Terrace, Hillhead, Glasgow. (S10-1527)

The Minister for Transport and the Environment (Sarah Boyack): None. This is a local planning matter.

process that has been decided by local councils, in the light of their development plans.

Ms White: I cannot say that I thank the minister for her reply. This is a matter for the whole Parliament. Ian Jenkins made a similar point with regard to community councils, and my supplementary will make it clear that the issue that I am raising is a matter for communities and this Parliament. If the minister is not aware of the point that I made in my first question, she will not be aware of the fact that petitions from Hillhead Community Council and Hillhead Primary School board have been lodged—[*Interruption.*] Please let me finish.

The Presiding Officer: Let us have a question.

Ms White: I imagine that Wendy Alexander would be better placed to answer this question.

Is the minister aware that petitions on this issue have been lodged with the Parliament, and will she today make a commitment to examine the matter and take appropriate action in response to the serious allegations that have been made about breaches of Glasgow City Council and national planning policies and guidelines? Further to that—

The Presiding Officer: No—that is enough.

Sarah Boyack: I am happy to answer that question. It is important that we get the balance right. I am well aware of the issues regarding 7 and 8 Alfred Terrace. Pauline McNeill has already raised them with me and I have answered her questions.

The representations that were made by the local community were considered by Scottish Executive officials in coming to a recommendation on whether the matter should be called in for decision at national level. We have to take a view on whether such cases raise national planning issues. On this occasion, the representations that were made were considered carefully.

Pauline McNeill (Glasgow Kelvin) (Lab): Will the minister address the wider concerns about a planning decision that affects the west end of Glasgow and involves private housing developers making large profits from overdevelopment of the area as a result of the inflated housing market? Does the minister agree that the needs of the existing community must be balanced against the need for reasonable development?

Sarah Boyack: These matters need to be considered carefully. The best place to do that is in the local plan discussions that each local council conducts when weighing ideas about how the area should progress against the views of people in that area. I encourage members to take an interest in planning issues in their areas and to consider them in the course of the democratic

First Minister's Question Time

SCOTTISH EXECUTIVE

Prime Minister (Meetings)

1. Mr Alex Salmond (Banff and Buchan) (SNP): To ask the First Minister when he next plans to meet the Prime Minister and what issues are likely to be discussed. (S1F-260)

The First Minister (Donald Dewar): I notice that Mr Salmond can now repeat that question by heart and does not need a script.

I shall be meeting the Prime Minister and the Secretary of State for Scotland in Cardiff, which is for me an unusual venue and one that I welcome, at the joint ministerial committee on health.

Mr Salmond: When the First Minister was asked last week how he would find the additional £90 million for the Holyrood project, he answered that that could be done comfortably out of end-year flexibility in budgets. If that is the case, why are local councils, including Liberal-run Aberdeenshire, cutting millions of pounds from education budgets? If there is end-year flexibility, why can those councils not gain access to it?

The First Minister: We allocate certain funds to local government. We allowed for an increase in grant-aided expenditure for next year of 3.5 per cent, an increase in aggregate external finance of 2.9 per cent and an increase in expenditure guidelines of 3.4 per cent. Mr Salmond will be aware that local authorities have had increases that are well above the rate of expenditure.

Mr Salmond asked specifically about Aberdeenshire, where GAE increased by 3 per cent and the expenditure guideline increased by 3.2 per cent. When he talks, as his colleagues always do, about vicious cuts in local government spending, what he says is not borne out by the figures. I do not deny that there are difficult choices to be made, but there is no doubt that the increase in the allocation to local government was above the rate of expenditure last year, as I expect it will be next year. We will be building to the point at which public service spending will be at its highest ever level in real terms.

Mr Salmond: When the First Minister was talking about my colleagues, he should have seen the faces of his colleagues, the Liberals who represent Aberdeenshire. That council and many Labour councils say that they have no alternative but to make millions of pounds of education cuts.

The Minister for Children and Education (Mr Sam Galbraith): No, no.

Mr Salmond: That is what your colleagues say, sir.

Can the First Minister tell us whether it is correct that, of the £195 million for which he and his colleagues voted for the Holyrood project, no less than £60 million will go straight to Gordon Brown in VAT and other employment taxes? If that is the case, is it not true that, if this were an independent Parliament, and if this Parliament had fiscal autonomy, we would get that money back? Why is it only within the devolution straitjacket that Scottish services get the pain and Gordon Brown gets the gain?

The First Minister: Before I deal with Mr Salmond's second point, I repeat that I have sympathy with local authorities and know the hard choices that they have to make. However, GAE for Aberdeenshire Council, which was £239 million in 1999-2000, will be £246 million in 2000-01. We should have a sense of perspective on that.

Alex Salmond's second point is the economics of the kindergarten. I concede that there is an argument over whether there should be VAT on public procurement contracts, but if there is not, the market is distorted in a number of ways, so it is probably sensible to have it. One cannot avoid the need to collect taxation. From Scotland's point of view, it is extremely important that we collect taxation, because we do very well out of the distribution of identifiable public expenditure. *[Interruption.]* I hear a member say that that is nonsense. I know that that is easy to say, but perhaps it would be better to compare the per capita spending on the health service and education in Scotland to that in the rest of the country; the word nonsense might then die in the throat.

Mr Salmond: Given that the First Minister told us last year that oil would be at \$10 a barrel for the foreseeable future and that a Scottish Parliament building would cost £109 million, is he really in a position to give the rest of us a lecture on economics? Did he hear the Presiding Officer say last night what a nonsense it would be to finance a long-term capital project out of short-term revenues? Is it not the case that, outside the United Kingdom, every other devolved Parliament in Europe has capital borrowing powers? Why is it only this Parliament that is put under the devolution straitjacket by the First Minister?

The First Minister: Because it is a devolved settlement, because we have very wide-ranging powers, particularly in the legislative field, and because we do extremely well out of public spending allocation. If Alex Salmond is urging on me some form of long-term public-private partnership or private finance initiative arrangement, I am surprised that he has spent the past two years telling me what a disgrace it is that

we are undertaking PFIs.

Secretary of State for Scotland (Meetings)

2. David McLetchie (Lothians) (Con): To ask the First Minister when he last met the Secretary of State for Scotland—*[Interruption.]* Bless you, Sam—and what issues they discussed. (S1F-257)

The First Minister (Donald Dewar): I did not realise that Mr McLetchie was taking on himself clerical powers. His somewhat pawky manner occasionally suggests something from Trollope.

I met the Secretary of State for Scotland very recently and spoke to him on the telephone two days ago, I think. I refer Mr McLetchie to the answer I gave some moments ago. The secretary of state and I discussed a variety of subjects and, as I mentioned, I am looking forward to meeting him in Cardiff tomorrow.

David McLetchie: In the First Minister's discussions with the secretary of state, I have no doubt that the subject of education comes up occasionally. Presumably even John Reid thinks that that is an area that it is competent for the Scottish Parliament to discuss. I understand that, following the chancellor's budget announcement and the subsequent statement made in this Parliament by the Minister for Children and Education, the extra money relating to schools will go directly to Scottish schools. Will the First Minister tell us how that is to be achieved in Scotland?

The First Minister: The intention is that the money should go directly to Scottish schools. In a sense, the decisions on how it is spent in those schools will lie with the schools. We are discussing with education authorities the best machinery for achieving that. The point is that the money will be an important addition to their funding. It will give them an element of flexibility that I believe will be widely welcomed. I hope that it will be welcomed by Mr McLetchie, although I look at him with a bit of doubt in my mind.

David McLetchie: Of course, the direct funding of schools is welcomed on these benches. The very fact that the First Minister is contemplating that measure, in line with Gordon Brown's announcement, is a massive vote of no confidence in the management of schools by Labour local authorities. What he is in effect doing is introducing partial direct grant funding of schools in Scotland, similar to the manner in which St Mary's Episcopal Primary School in Dunblane and Jordanhill are currently fully funded. Why will the First Minister not go the whole hog and extend the benefits of full direct grant funding to all schools? Instead, he is perversely using the Standards in Scotland's Schools etc Bill—if Mr Galbraith, who I see is now coughing, survives long enough to see

it through—to force an excellent school—

Karen Gillon (Clydesdale) (Lab): Point of order, Presiding Officer. For members to make statements about other members' health in the chamber is totally out of order. You need to take charge of the chamber and Mr McLetchie's ungentlemanly conduct.

The Presiding Officer (Sir David Steel): I do not need lectures on how to take charge of the chamber. I think that Mr McLetchie meant what he said as a light-hearted comment and not a serious one.

David McLetchie: Indeed, Presiding Officer. That is the spirit in which my comment was extended to Mr Galbraith, who I hope will be in full health for our forthcoming debates on his education bill. I was asking the First Minister why, given his partial direct grant funding of schools as a result of the chancellor's announcement, he will not extend the benefit of full direct grant funding to all schools in Scotland, rather than using Mr Galbraith's education bill to force an excellent school such as St Mary's back under local authority control against the wishes of parents and teachers in that school.

The First Minister: That was a rather long and convoluted point, but it is, I think, of very little substance. I know of no demand, outside the rather strange, mysterious and certainly small world of the Conservative party, for that change. On this occasion, we made a specific gesture, finding sums of £30,000 and more for secondary schools, and £3,000 and more—depending on the size of the school—for primary schools. That was done to give them a boost—an element of flexibility—but it was not a vote of no confidence in the local education authorities or the administration of our schools. To suggest that it could be interpreted in that way is a pretty desperate stratagem, which suggests that Mr McLetchie is very short of ideas in this area.

Andrew Wilson (Central Scotland) (SNP): In the interests of cross-party unity and consensus, now that it is time to move forward on Holyrood, and with respect to John Reid's role as Secretary of State for Scotland, does the First Minister consider that there might be an opportunity to pay for the Holyrood project by scrapping the role of Secretary of State for Scotland? Over 40 years, at £5 million a year, that would pay for the entire project a few times over. After all, the Liberals do not want John Reid in that position, nor do the Tories; the SNP certainly does not want him in that position, and Donald Dewar does not even like him. Given John Reid's activity level, we would save a fortune if he were simply paid a piece rate.

The Presiding Officer: A question, please.

Andrew Wilson: Will the First Minister consider

that as a route forward for Holyrood?

The First Minister: Mr Andrew Wilson may have a justified reputation for being clever, but when he makes juvenile remarks of that kind, his question is not worth answering.

Rural Employment

3. Maureen Macmillan (Highlands and Islands) (Lab): To ask the First Minister what progress the Scottish Executive has made in tackling long-term unemployment in farming communities in rural areas. (S1F-258)

The First Minister (Donald Dewar): The farming industry continues to account for some 60,000 jobs in rural Scotland. Over the past year, the number of people in rural Scotland who were unemployed for more than six months fell by 1,500, or 12 per cent. We will continue that downward pressure, and I hope for further progress.

Maureen Macmillan: I thank the First Minister and welcome the extra £39 million that was negotiated for agriculture last week by the Executive. Will the First Minister ensure that support in rural areas is not only for agriculture, but for diversifying the rural economy and for taking advantage of new technologies? Does he agree that, when new companies move into rural areas and receive public funds, their work practices and treatment of employees should be monitored? Does he also agree that there should be strong encouragement from the enterprise boards for new companies to work in co-operation with an appropriate trade union?

The First Minister: I have much sympathy with what Maureen Macmillan is saying. Since last summer, £110 million has been allocated as additional support for the Scottish agricultural community and, as Maureen Macmillan said, £39 million came from the agriculture summit held on 30 March. I pay tribute to Ross Finnie, who worked extremely hard and played a full part in a very satisfactory outcome.

Maureen Macmillan is right to say that the rural economy is much broader than the agriculture industry alone, although that must be at the centre. The whole point of those additional payments, over and above the £0.5 billion in support payments that goes into Scottish agriculture every year through the European system, is to allow breathing space to consider with the industry the best way in which we can diversify and broaden the base of the rural community. It is important that everyone appreciates the importance of that process; I know that the National Farmers Union certainly does.

Mary Scanlon (Highlands and Islands) (Con): Does the First Minister support the bid by

Highlands and Islands Enterprise to take over the responsibilities of the Crofters Commission, or does he feel that the Crofters Commission is best placed to represent the needs of rural areas? Alternatively, could it be that this is the first step of the quango review that he promised?

The First Minister: I am not sure that I can give a final answer, but a final answer is very near to appearing in the public place. I would not encourage Highlands and Islands Enterprise to expect anything in support of its proposal.

Local Government Finance

4. Brian Adam (North-East Scotland) (SNP): To ask the First Minister what assessment the Scottish Executive has made of any adverse effect on the services provided by voluntary and community groups in the light of any reduced local authority funding and what action it plans to take. (S1F-263)

The First Minister (Donald Dewar): My answer is something of a reprise of my exchanges a few minutes ago with Alex Salmond.

The local government settlement for 2000-01 allows for a 3.4 per cent increase in total local authority revenue expenditure compared with last year. Local authority support for voluntary and community groups is a matter for each council to determine in the light of local priorities and circumstances, but we encourage councils to be as flexible and generous as possible.

I am pleased to stress that the Scottish Executive's direct support for the voluntary sector now stands at record levels—some £29.5 million this year, which is an increase of 28 per cent. That is part of a larger sum of around £289 million that is given to the voluntary sector through other bodies in the public sector such as Scottish Homes.

Brian Adam: That reply was rather disappointing. What advice would the First Minister offer to groups such as the Grampian Addiction Problem Services, Aberdeenshire Women's Aid, Home-Start, the Duke of Edinburgh's award scheme in Aberdeenshire and other groups elsewhere in Scotland that are under threat of reduced funding or closure because of local authority cuts?

The First Minister: I can recognise the accuracy of what Mr Adam says if, by local authority cuts, he means cuts made by the local authority because of decisions that it has made based on its budget priorities. I repeat that there has not, in real terms, been a cut, either in Aberdeenshire Council's budget or in the budgets of local authorities generally. I fear that I am holding a dialogue with the deaf. However, I urge people, including Mr Lochhead—

Richard Lochhead (North-East Scotland) (SNP): Mr Adam.

The First Minister: I am sorry—I meant Mr Adam. I see that Mr Lochhead is properly offended, and I can understand why.

We are aware of some of the problems that Mr Adam mentioned. Alex Salmond came to see me about GAPS the other day. We have in been in touch with bodies in Aberdeenshire, especially with the Aberdeenshire drugs action team. We have asked for a report for the Deputy Minister for Justice, which I hope will be forthcoming shortly. I understand that Aberdeenshire Council's finance committee meets on 17 April. We hope that it will consider matters carefully before taking any final decisions.

Cathy Peattie (Falkirk East) (Lab): Does the First Minister agree that the compact with the voluntary sector in Scotland is a huge advance, which both demonstrates the commitment of this Executive to working in partnership with the voluntary sector and recognises the huge contribution of the voluntary sector to the social well-being of Scotland?

The First Minister: Yes, I agree with that—which seems to be a shock for the nationalists. I have been at a number of gatherings of voluntary sector bodies and personnel recently, including a conference that concentrated on volunteering. There is a strong feeling that there is now a better dialogue and that efforts are being made to achieve a better framework for relationships between central Government and the voluntary sector. Although the figures may be modest, a 28 per cent increase in direct support from this Administration for voluntary bodies is not something that I would have thought of as a sign of hostility or indifference.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): The First Minister seems to lack credibility with the people of Aberdeenshire. Will he explain this statistic? Aberdeenshire Council has increased the proportion of its budget that it spends on education from 53 per cent to 55 per cent, but it is having to cut school budgets by 3 per cent. The figures do not match. The First Minister refuses to accept that Aberdeenshire Council has suffered a cut in real terms.

The First Minister: I am happy to talk to Mike Rumbles about this. I have said—and I will repeat—that I sympathise with local authorities because of some of the hard choices that they have to make. I am also aware that we have laid some new duties on them—for example, the duty to provide pre-school nursery accommodation for four-year-olds. We are trying to raise standards in a number of areas, and we are raising them. Mr Rumbles must know from his close alliance and

contact with council officials that there has not been a real cut in the budget of Aberdeenshire Council. The council may argue that what it wants to do requires a greater sum of money than the budget that is allowed to it, but it is not—

Mr Rumbles: It is not true that there has not been a cut.

The First Minister: It is true. The expenditure guidelines went up from £269 million in 1999-2000 to £278 million in 2001.

Mr Rumbles: So can the First Minister explain why the figures do not match?

The First Minister: I should also explain to Mr Rumbles that the Aberdeenshire band D council tax is £777, compared to a Scottish average of £886. That is understandable and right in a rural authority, but to suggest that the council has suffered a real-terms cut in its budget is not true.

National Fisheries Institute

5. Richard Lochhead (North-East Scotland) (SNP): To ask the First Minister whether the Scottish Executive is aware of any plans to set up a national fisheries institute with a UK-wide remit and, if so, where it will be located. (S1F-254)

The First Minister (Donald Dewar): I am aware of the issue. As I am sure Richard Lochhead will know, the idea of a national fisheries institute arose from a recommendation of the House of Commons Select Committee on Agriculture. The project is in its early stages and no final decision has been made on how to proceed. I recognise that many people in Scotland are taking an interest in the possibility of locating such an institute in Scotland and are staking claims for particular locations. I am aware of the very strong claims that have been made on behalf of the North Atlantic Fisheries College in Scalloway. I visited Scalloway during the summer and I know that Jim Wallace and Tavish Scott have been promoting that claim with considerable energy.

Richard Lochhead: I ask the First Minister to deliver for the Scottish fishing industry on that. Does he agree that it would be a scandal if the fisheries minister for England and Wales usurped Scotland by establishing a fisheries institute in Grimsby? Surely any fisheries institute should be located in Scotland, the home of 70 per cent of the UK fishing industry. We can build on the excellence developed at the North Atlantic Fisheries College in the Shetland isles and Banff and Buchan College of Further Education in the north-east of Scotland. Will the minister fight tooth and nail to ensure that any such institute is established in Scotland?

The First Minister: I would like Scottish sites to be considered sympathetically in the light of the

statistics mentioned by Richard Lochhead. However, I am trying to warn members that the decision to found such an institute has not yet been taken; it is a proposition of the Agriculture Committee that is currently being considered. If it were to be founded as a UK body, I hope that Scotland would be a front runner for its location. We will do all that we can to promote that cause when we reach that point.

Tavish Scott (Shetland) (LD): The First Minister will be aware that his colleagues John Home Robertson and Henry McLeish have already written letters of support for the North Atlantic Fisheries College in Scalloway. Having visited Scalloway, does the First Minister share my view that the fisheries college is a centre of excellence? It is linked to the University of the Highlands and Islands and brings together science, environmental concerns, local authorities and the variety of expertise that is needed for a national fisheries institute.

The First Minister: I am advised that all those things are true. I say that rather cautiously because I have not visited the college, although I have visited Scalloway. I make that clear because I would not want to be accused of misleading the Parliament—something that seems to happen rather a lot these days.

I recognise that good work is done at the college. I have no doubt that the claim will be considered at the appropriate time. Tavish Scott will be involved in discussions on the matter with ministers from the Ministry of Agriculture, Fisheries and Food to take place shortly, so no one can doubt his enthusiasm or determination to make progress on the matter.

Regulation of Investigatory Powers Bill

Tommy Sheridan (Glasgow) (SSP): On a point of order, Presiding Officer. Yet again, you have decided not to select my amendment to the motion. You will be aware that since June 1999, I have lodged 14 amendments, only two of which have been selected. I ask you to take a period of self-reflection or to reflect with the Parliamentary Bureau, so that after the recess you can assure me that that pattern will not be repeated, given that we are hoping to aspire to a new politics in Scotland.

The Presiding Officer (Sir David Steel): I am all for self-reflection, but if two out of 14 of your amendments have been selected, I would say that you are doing pretty well. I am always willing to reconsider. I select amendments on their merits rather than on a statistical basis, and I do not give reasons for the selection.

Let us proceed with the debate on the Regulation of Investigatory Powers Bill.

15:34

The Deputy First Minister and Minister for Justice (Mr Jim Wallace): The Regulation of Investigatory Powers Bill was introduced in the Westminster Parliament on 9 February and had its second reading on Monday 6 March. It is currently being considered in committee in the House of Commons.

There have been some misleading comments about the bill. It is worth stressing a few points before dealing with the substance of the Sewel motion. The Regulation of Investigatory Powers Bill does not bring into being a surveillance society, nor does it unleash wide-ranging new powers for the police. The bill puts in place statutory controls and checks for a range of policing techniques that have been used for many years. It introduces independent oversight of the use of those powers. In short, it enhances civil liberties by placing the use of those powers on a statutory basis.

The Scottish bill will balance carefully the effectiveness of law enforcement techniques with the rights of the citizen, as enshrined in the European convention on human rights. Indeed, for the first time, those law enforcement techniques will be properly regulated by law and independently supervised, and remedies will be available to people who believe that they have been wrongly treated through their use. The Scottish bill will be introduced after Easter, with the intention of ensuring that it is in place by 2

October, when the Human Rights Act 1998 will apply to the activities of the police.

I also intend to introduce a separate bill to deal with a number of ECHR issues. First, a written parliamentary answer will be published this afternoon indicating our proposal to amend certain provisions of the Criminal Procedure (Scotland) Act 1995 in relation to bail. Secondly, we intend to amend the District Courts (Scotland) Act 1975 in relation to justices of the peace and certain prosecutions in the district court. Finally, we intend to create a new judicial office of part-time sheriff. I hope to introduce the bill as soon as possible after Easter.

On the motion before Parliament and the Regulation of Investigatory Powers Bill itself, although the vast majority of law enforcement activities are undertaken by the police, a number of other agencies are involved, some of which operate on a Great Britain or UK basis. They may co-operate with each other in sharing intelligence or in particular operations.

The Scottish Executive and the Home Office have therefore co-operated closely on the Regulation of Investigatory Powers Bill and its Scottish counterpart. We have been keen to ensure that there are no gaps between the two regimes that could be exploited by those responsible for serious crime.

The bills cover matters that are clearly reserved, for example, the police in England and Wales; or clearly devolved, for example, the police in Scotland. However, they also cover bodies that are reserved but have functions that include the prevention or detection of crime in Scotland, which is devolved. This period of consideration has shown that although the subject matter of the Regulation of Investigatory Powers Bill contains areas where legislative competence is perfectly clear, there are other areas where the legal issues become more complex and subject to interpretation, or where the question whether the Scottish Parliament has legislative competence depends on the way in which the legislation is framed.

The Executive has been guided by several objectives in framing its legislation. I want to say a brief word about them before I refer to the areas of the Regulation of Investigatory Powers Bill where we seek the consent of Parliament.

One key objective has been to ensure that the legislation is in place before the Human Rights Act 1998 comes into force on 2 October. A second objective is to ensure that robust legislation is put in place. A regime that was susceptible to challenges in the courts on the ground that the Scottish legislation was not competent to regulate the activity or the body in question would be failing

the public and law enforcement agencies. We have therefore taken the view that, in limited aspects, it would be more sensible to include the relevant provisions in the UK legislation, where there can be no such susceptibility to challenge. Questions would be asked in Parliament if we allowed our bill to be vague or if challenges could be mounted against the competency of what we had done. If we include such provisions in the UK legislation, any such challenges will be put beyond doubt. Finally, there are advantages in providing for a similar approach throughout the UK.

I will now refer to the particular areas of the Regulation of Investigatory Powers Bill on which we are seeking the endorsement of the Parliament. I will deal with part II of the UK bill first, as it covers the ground where we will seek to introduce our own, similar legislation here in Scotland.

Part II specifies public authorities that may employ covert investigative techniques. Those are English police forces, HM Customs and Excise, the armed forces and their police services, the Ministry of Defence police, the British Transport police and the intelligence and security services. While the functions of some of the authorities on that list, such as the armed forces and the intelligence services, are reserved under the Scotland Act 1998, the position of others is less clear.

For example, the conduct and management of HM Customs and Excise, a UK public authority, is a reserved matter. However, its involvement in the prevention or detection of crime is generally a devolved matter. The legislation that we are considering covers both those aspects.

That is precisely the type of grey area that could give rise to challenges in the courts. Therefore, we believe that the better course is to cover in the Scottish bill only the bodies where there is no potential for challenge—the National Criminal Intelligence Service, in so far as it operates in Scotland, and the Scottish police forces.

There is agreement with the UK Government that when a UK public authority operates in Scotland against crime and ministerial authorisation is required, Executive devolution arrangements will provide that Scottish ministers will sign the authorising warrant and will need to satisfy themselves that any operation is in accordance with the law.

The second area that I want to mention relates to part I, chapter 2 and to part III of the Regulation of Investigatory Powers Bill. Part I, chapter 2 of the bill deals with enabling law enforcement agencies to gain access to data relating to the frequency, direction and duration of specified communications, rather than to the content of the

communication. Part III of the bill provides a power to demand the decryption of encrypted material for specified purposes from a body or person who is believed to hold the decryption key.

The approach to those issues adopted in the Regulation of Investigatory Powers Bill means that the relevant provisions fall within the reservations in the Scotland Act 1998, specifically in schedule 5 to the act, paragraph B8, on the interception of communications, and paragraph C10, on telecommunications including internet services and encryption. The Executive's view is that it might have been possible to draft provisions dealing with those issues so that they were within the legislative competence of the Parliament, in particular, if the provisions were drafted so that the focus was on the toolkit needed by the Scottish police to deal with crime.

However, we take the view that the legislation will be best dealt with within the UK bill. Not only does that course remove uncertainties relating to legislative competence, but it will enable the Scottish police to access the technical support systems that will be established in line with the powers in the bill. The technical expertise required in such areas will in many cases be beyond the resources of any one police force.

I refer now to the issue of dealing with complaints. It is the right of individuals to have recourse to redress if they believe that they have been improperly targeted with investigatory methods regulated by the bill. At the same time, the sensitivity of the issues that might be involved requires special handling, and the UK bill proposes a special tribunal to balance those requirements.

It is within the competence of this Parliament to provide for such a tribunal to deal with complaints arising under the Scottish bill. However, we believe that there are sound reasons why that would be better done within a UK-wide system. There are likely to be few cases in Scotland, but it will be important for the tribunal to accumulate a breadth of experience in what is a sensitive and specialised area. That will be particularly important from the point of view of guiding the police on the limits of their powers under the legislation. It therefore makes sense for this Parliament to ask the UK Parliament to legislate on its behalf in this area. Scottish ministers will be consulted on the rules governing operation, and the legislation provides for representatives from the Scottish legal system to be members of the tribunal.

I wish to draw to the attention of members two amendments, which will be proposed in the Regulation of Investigatory Powers Bill, that will affect Scotland. The details are set out in paragraphs 15 and 16 of the memorandum, which has been made available to members. I hope that

members can agree that those technical amendments would be best dealt with in the UK bill. The memorandum also sets out what we intend to do in relation to oversight by the commissioners. That is not a matter for the Sewel convention, but members may wish to take note of it at this stage.

In conclusion, I emphasise that by far the largest part of the activities involving undercover surveillance and the use of related techniques in Scotland will be covered directly by Scottish legislation. In addition, where ministerial authorisation for criminal investigation is required, it will be given by Scottish ministers under the UK legislation. That represents a pragmatic approach, designed to ensure that we have robust legislation that protects individuals' rights and enables those responsible for law enforcement to use effective techniques in the fight against serious crime.

I move,

That the Parliament endorses the principle of ensuring that the use of investigatory techniques is compatible with the European Convention on Human Rights, as set out in the Regulation of Investigatory Powers Bill, and agrees that the provisions within that Bill that relate to devolved matters should be considered by the UK Parliament.

15:45

Roseanna Cunningham (Perth) (SNP): I question how many members of this Parliament have a full understanding of precisely what they are voting on in regard to the motion. The members of the media who have contacted me have uniformly expressed extreme frustration at the Executive's unwillingness to be at all forthcoming about its intentions on intrusive surveillance.

As far as the public domain is concerned, it seems that, until today, the only announcement was the minister's comment last month that

"the Scottish Executive is about to introduce a Bill which will provide legislative cover for the agencies involved in operations involving intrusive surveillance techniques."

Otherwise, there has been no fanfare, no further press release and no further information.

Mr Jim Wallace: Does Roseanna Cunningham actually read written answers, including the one that I gave on 17 November, and the one that the First Minister gave earlier that month?

Roseanna Cunningham: I am fascinated by the minister's intention to use that format from now on to make important announcements which, presumably, he wants to keep as quiet as possible. Members of the press have had an extremely difficult time over the past week—I know that because they have told me—trying to find out anything about the Executive's intentions on what it will do in this Parliament about intrusive

surveillance.

As the minister said, a bill has been going through Westminster, although it had its second reading only on 6 March. It was introduced in February. It is instructive and a good thing about this Parliament that it is only the advent of the Scottish bill that has generated press interest and scrutiny in Scotland.

I make no comment on whether that should or should not have been the case. It is, I freely admit, a lesson in not taking our eye off the ball in regard to Westminster. However, the coverage that both the Westminster bill and the proposed Scottish bill have now received means that this Parliament should tread very carefully indeed.

We already know that the incorporation of the European convention on human rights in Scotland, especially given that it concerns the actions of this Parliament itself, goes a good deal further than it does with regard to Westminster, which stays stubbornly thirled to the outdated doctrine of parliamentary sovereignty. This Parliament is in a more modern vein, and cannot afford to be as quite as cavalier as Westminster. For that reason alone, we should be protective of the rights of the people of Scotland, and get the maximum advantage of the incorporation of the ECHR, and not agree willy-nilly that Westminster should be allowed to legislate on devolved matters.

Despite the doom-laden prophecies in the run-up to May last year, the Scottish National party has taken a responsible attitude to previous Sewel motions. Where we have agreed, there has been very good reason to agree. I recall my comments in the debate on the motion on the Sexual Offences (Amendment) Bill, regarding the equalisation of the age of consent. That was a Sewel motion on which we registered our agreement. I said then:

“as a matter of principle, the SNP does not want Westminster to continue to legislate in devolved areas, which unfortunately seems to be happening almost routinely, not just on this subject, but on others that concern us rather more.”—[*Official Report*, 19 January 2000; Vol 4, c 227.]

For that motion and that vote, it was perfectly clear that not to have agreed that Westminster could proceed would have set back the projected equalisation in the age of consent by years. The legislation that we were discussing had begun its life before the Scottish Parliament's own birth. An exception could be made at that time, for that reason.

At the time of that bill, the Executive was also keen to point out in its memorandum that

“it would remain open to the Scottish Parliament if it so wished to amend or repeal in future any Scottish provisions enacted by the passage of the Bill.”

I note with some amusement that a similar reassurance is missing from today's memorandum.

Why should we also make an exception for this legislation? The truth is that the Executive has given no real reason why this Parliament should concede that Westminster can simply go ahead and legislate for us this time. I read the memorandum accompanying the Regulation of Investigatory Powers Bill. Paragraph 8 states:

“It is clearly desirable from the point of view of simplicity that a body that operates throughout the UK should be regulated by a single statute rather than being required to switch to a different regulatory regime”.

All I can say is: really? One wonders how on earth we have survived for the past 300 years with two distinct legal jurisdictions on this island.

A debate about the merits of the bill, either in whole or in part, is not appropriate. Nevertheless, we would all be interested to hear from the minister whether there has been any substantive consultation at a ministerial level on the provisions of the bill. If there has been, what form did it take? After all, strictly speaking, we are not being consulted on the bill today.

The Law Society has suggested that, in issuing interception warrants and authorising disclosure of communications data, provision should be made for consultation with the Advocate General for Scotland when the basis for interception is in the interests of state security or the safeguarding of the UK economy. On the other hand, it suggests that consultation with the Lord Advocate would be appropriate when the interception is justified for the purpose of detecting or preventing serious crime. Has any discussion taken place on those lines? Has any thought been given to those, or similar, suggestions?

The late introduction of the bills that the minister has spoken about today and the expectation of fast turnaround times put this Parliament's committee system under considerable stress. I suppose that, as convener of the Justice and Home Affairs Committee, I could take the view that, with this motion, the Executive is being solicitous of the work load of my committee. Today might be about the Executive doing whatever it can to reduce that work load, including the option of using Westminster as a spill-over Parliament. Is that the reason why we are discussing this matter? Is the Scottish Parliament so busy, and does Westminster have so little to do, that any excuse to send things south must be grabbed? Excuse me if I doubt that.

Even if my tongue were not in my cheek on that point and it were true, it would have serious implications. I mentioned that it is instructive that only the advent of the Scottish bill generated the

press and public scrutiny that was deserved. That speaks volumes for our Parliament and is a good reason why we should not agree to the motion. The motion is, predictably, bland. It is couched in terms that suggest that the provisions of the bill are entirely benign. That may be so and the minister tells us that it is so. However, recent coverage suggests otherwise and the debate in Scotland will focus on the implications of the bill, particularly the suggestion that it will legitimise activities that are not legitimate at present.

Concerns are being expressed in Westminster by the Liberal Democrats and the Conservatives. Given that a Liberal Democrat minister is pressing the legislation here, it is of considerable interest that at Westminster, a colleague of the minister, Simon Hughes, described the bill as

“going too far in favour of the state and against the individual.”—[*Official Report, House of Commons*, 6 March 2000; Vol 345, c 787.]

Given the substantial concerns about the bill and the lack of a compelling argument from the Executive, the SNP wants to ensure that the maximum number of provisions are subjected to the extensive early scrutiny afforded by the procedures of this Parliament. I urge Parliament to support the SNP amendment.

I move amendment S1M-733.1, to leave out from “as set out” to end and insert:

“and accordingly agrees that the provisions within the Regulation of Investigatory Powers Bill which relate to devolved matters should be considered by the Scottish Parliament.”

15:53

Phil Gallie (South of Scotland) (Con): The bill attempts to avoid screw-ups of the sort that Scotland has experienced as a consequence of incorporation of the European convention on human rights. Roseanna Cunningham mentioned the fact that, for 300 years, our two legal systems have worked together. However, in the past few months, our legal system has been subject to great scrutiny because of our early involvement in the European convention.

The bill addresses complex matters, recognises huge advances in technology and acknowledges a need to update the Interception of Communications Act 1985. I recognise Roseanna Cunningham’s concerns about watering down devolved powers. From her position of support for Scottish integration in Europe instead of in the United Kingdom, it is understandable. I will not be entirely dismissive of her remarks and I seek assurances from ministers that the activities of the Scottish police will not be hampered by the proposed changes.

The bill could be described as a spies charter. It

is a pity that Sean Connery is not here to lead for the Scottish National party. That would have been an interesting scenario.

We accept that the explosion in new methods of communication has given rise to an explosion in new methods of committing crime. We foresee great opportunity for the unscrupulous to extend activity in more traditional areas of preying on the more vulnerable sector of law-abiding society.

Having observed the havoc that the incorporation of the ECHR has created, we believe that this is a step towards ensuring that, in future, the capability of this country’s law enforcement, security and intelligence systems is not damaged. We put the interests of the Scottish people above political dogma, on which basis we are likely to give full support to the Executive’s intent as expressed in the motion.

To a degree, we recognise that speed is of the essence, bearing in mind the October date. We feel that the bill may not go far enough in naming certain individuals who can authorise surveillance techniques. I ask the minister to spell out who in Scotland will have such authority, perhaps comparing their remit with that of those who currently have such powers.

We have concerns about the burdens that are imposed on business by parts I and II of the bill. Those provisions require service providers to maintain an interception capability and to provide detailed logs of traffic. Can the minister advise us whether Government finance will be available to assist in the provision of such facilities? If so, what proportion of that, if any, is expected to be funded from the Scottish block grant?

Part III of the bill allows authorities to demand electronic keys to decode encrypted messages. Anyone who refuses to comply, for whatever reason, is regarded as breaking the law. The practicality of that is questionable, although the objectives certainly have merit. I am sure that that matter will be addressed by my colleagues in the Westminster Parliament.

All the SNP’s MPs are members of this Parliament. They have a duty to ensure that the bill is addressed properly as it undergoes scrutiny in the Westminster Parliament, and that Scottish issues are protected. They also have a duty, in their role as Westminster MPs, to communicate with the press, as do Labour MPs who currently serve at Westminster and continually bitch about the fact that they have been wiped out of the headlines here in Scotland. The bill will affect Scotland seriously, and Scottish MPs should be involved to the full.

Perhaps those MPs could investigate the issue of the commissioners who will be appointed to scrutinise the workings of the bill, and seek

assurances that adequate consideration will be given to Scottish law enforcement agencies and existing Scottish law. They would be better informed if the minister today clarified any areas of concern that remain after discussions between Executive members and their counterparts at Westminster.

Having looked back through answers that have been given by the First Minister to questions about contacts with the Prime Minister and the Cabinet, I find it strange, considering the importance that the Executive places on the bill, that there is no reference to discussion on those issues.

I am aware that there are purely Scottish issues that require to be addressed. I understand that the Executive is to launch a separate Scottish bill, as the minister said. Roseanna Cunningham informed the Justice and Home Affairs Committee last week that such a bill will have to be cleared before the summer recess. However, the bill has not been produced even in draft form and there is no clear idea of its content, although the minister perhaps has given us a little hint today. Standing orders will have to be suspended to allow hasty progression of the bill from stages 1 to 3. Surely that is no way in which to conduct serious business of this nature.

Given that we have no revising chamber, and that we are expected to push legislation through on a right-first-time basis, the minister must recognise that his justification for what some may describe as yet another shambles will have to be good if our enthusiastic support is to be given for his motion.

15:59

Des McNulty (Clydebank and Milngavie (Lab)): I welcome the general principles of the bill. For the first time, law enforcement agencies and other public authorities will have clear guidance on the circumstances under which they can use particular surveillance techniques. Members of the public will benefit, as the circumstances will be clear under which those powers can be used. If they believe that those powers have been abused, they will have access to an identifiable tribunal, and commissioners will be charged with reporting to the Prime Minister each year on the use of the powers in the bill. There has been a general welcome both for those safeguards and for the fact that we are bringing regulation in this area into line with the European convention on human rights.

However, I will pick up on the question whether the bill should be dealt with at Westminster or at Holyrood, which is raised in Roseanna Cunningham's amendment. It seems to me that that question should not necessarily be dealt with

as an issue of principle, as she suggests, but rather that it should be dealt with case by case and circumstance by circumstance, as there are pragmatic advantages and disadvantages of proceeding along different routes.

I will run through the powers that are covered by the bill, to highlight some of the issues on which members might take a view on whether it is more effective for the bill to be dealt with in Westminster or whether it should be dealt with in Scotland.

The first power is that of the interception of communications, including e-mail messages, mobile phone calls and text pager messages. It is clear that massive technological change has transformed the communications environment in which we live. Arguably, there is a case for international, rather than purely national, regulation. To produce a fragmentation in the regulatory procedure that covers such issues in the UK would, in a sense, multiply the opportunities for confusion and would probably increase the costs of, and confuse, enforcement. I do not think that the argument lies with Roseanna Cunningham in relation to the first power.

The second power is that of the acquisition of communications data, such as billing data on who has called whom and how often, where existing arrangements for handing over data by service providers are not sufficiently tightly drawn. Again, it seems to me that there is a strong economic case for a single system of regulation to cover the UK, rather than separate systems—one for Scotland and another for the rest of the UK. Breaking up a regulatory procedure would create an unwelcome burden on businesses, so the argument goes against Roseanna Cunningham again.

The third power is that of intrusive surveillance. The matters covered in part II of the bill apply to Scotland only in certain circumstances, and Mr Wallace indicated his intention to introduce legislation to cover those circumstances. Therefore, the matter is being dealt with separately.

The fourth power is that of directed surveillance, which involves tracking people's movements, and to which I would link the fifth power of the use of covert human intelligence sources. As an example, the police in the UK rely on intercepted intelligence to deal with the drugs problem. About 52 per cent of heroin seizures in the UK in 1998—the last year for which information is available—were made through that mechanism; the value of drugs seized in those circumstances was in excess of £185 million. Separate systems of regulation would not assist the police—they would hinder police co-operation and effectiveness. Again, the argument lies against Roseanna Cunningham.

The final power is that of decryption, which is a complex technical term that refers to, for example, decoding the contents of the hard drive of a suspected paedophile or messages that criminals might have sent over the internet in encrypted form. Why do we need a separate Scottish system of regulation to deal with decryption, when, arguably, a UK-based system will be cheaper, more effective and more comprehensive?

Investigation of those issues indicates to me that the arguments point to a UK-based system. I would go further and argue for the introduction of a European or international system of regulation, especially in combating pornography, paedophilia and drug trafficking. Rather than trying to devolve those issues down, we should try to aggregate them up, so that the procedures of law and order and the democratic systems of information control and accountability become more effective. The balance of the argument lies with the bill being dealt with through the mechanism proposed by the Executive and not through that proposed by Roseanna Cunningham.

The Presiding Officer: I am afraid that I can probably call only two members, provided that they stick to three minutes each.

16:04

Tommy Sheridan (Glasgow) (SSP): In the absence of my amendment, I shall support Roseanna Cunningham's amendment. The bill that is going through the Westminster Parliament is called the Regulation of Investigatory Powers Bill, or RIP. Many civil rights campaigners believe that we may be witnessing the RIP of civil liberties in Britain if that bill is passed in its current form.

I want to highlight one or two concerns that have already been raised by a number of organisations, including Justice, Privacy International, Statewatch, *The Observer* and *The Sunday Herald*. It is only right and proper that those concerns be brought to this chamber. The people in those organisations are concerned citizens and their points should be listened to.

There are concerns about the widespread powers, given to the police by the Home Secretary, to intercept all electronic communications. We recently discovered that the Central Intelligence Agency, via the Echelon programme, is already spying on all our communications. Now Jim Wallace tells us that we should trust Jack Straw to be vigilant over our civil liberties.

The civil liberties group Justice has made the following points. First, the presumption of innocence will be violated. Failure to comply with a decryption notice will be a criminal offence unless the person in question can prove that he or she

does not have the key or does not have access to it because, for example, the password may have been forgotten. That contravenes an important element of the right to a fair trial guaranteed by article 6 of the European convention on human rights: that it is for the prosecution to prove the offence, not for the defendant to prove his or her innocence.

Secondly, the proposed legislation infringes the right not to self-incriminate. It is impossible for the police to prove by technical means that the defendant has possession of the key. The only way of proving that he or she has had the key is by way of admission by the defendant. Furthermore, disclosure of the key by the defendant may lead to the discovery of incriminating material. That contravenes a person's right to remain silent and not to contribute to incriminating himself or herself, as guaranteed under article 6 of the ECHR.

Thirdly, there are inadequate safeguards against abuse. Not all decryption notices have first to be authorised by a judge. There is no requirement that the notice be restricted to serious crime, so it could be used for low-level criminal data gathering. There are inadequate safeguards on the holding of the decryption key and any material that is thereby obtained. There is no requirement to inform the covert investigations commissioner that such notices have been served. All those requirements are necessary to safeguard privacy rights under article 8 of the European convention on human rights.

A number of organisations have pointed out that the proposed level of power and surveillance is unprecedented anywhere else in the world and that our lives could become nothing more than surveillance profiles. That is why every aspect of this bill that relates to Scotland must be studied and amended here in Scotland—so that we can be vigilant about the defence of our civil liberties.

We would not put Genghis Khan in charge of a community crèche and I would therefore not like to put Jack Straw in charge of our civil liberties.

16:08

Euan Robson (Roxburgh and Berwickshire) (LD): I am pleased that the Minister for Justice has introduced this important, though truncated, debate. The Westminster bill is 90 pages long and has explanatory notes running to 54 pages. It is not the most digestible of reads.

The Liberal Democrats welcome the minister's assurances, which help to dispel some of the fears that have been voiced in the press. We also agree that the Scottish bill should not include other ECHR provisions, such as those covering district courts or part-time sheriffs. Those matters should

be covered by a separate bill. A composite measure would have been a legislative dog's breakfast.

We are more than happy that the ECHR should be applied to telephone tapping, electronic interceptions and surveillance. That is an important development. We accept the minister's good intention of ensuring that protection of the individual citizen is extended and enhanced. We also accept that we must ensure that crime does not migrate to Scotland because of deficiencies in the powers of the police or of UK bodies such as Customs and Excise. Criminals should not be allowed to profit from any legal grey areas. Criminals will make use of modern technology; we must not allow them to steal a march to advance their wrongdoing.

In brief, we understand that we are being asked to allow devolved Scottish matters in parts I, III and IV to be decided at Westminster on a UK-wide basis, while part II is effectively converted into a bespoke Scottish statute. I say to the minister that we have reservations and concerns and look to our colleagues at Westminster—particularly Simon Hughes and Alan Beith, who has taken an interest—and, doubtless, Scottish MPs, to deal with those matters.

Section 73 disapplies part II in respect of Scotland, subject to three exceptions. Who authorises those exceptions? Who is to issue warrants under parts I, III and IV? The Deputy First Minister and Minister for Justice or the Secretary of State for Scotland? Section 7(1) refers to "the Secretary of State." Does that mean the Home Secretary? What are the boundaries? Is it sensible for two or three ministers to issue warrants in separate jurisdictions?

If and when part II is enacted in Scotland, there will be fundamental changes to policing practice. What preparations are the police making for those changes? I understand that, laudably, the police have tried to act in compliance with the European convention on human rights since 1 April. While policing practices may be more complicated, chief constables accept that legislation will make the service more accountable.

There are also concerns about tribunals. Whereas we can see the advantages of a UK-wide tribunal system, the minister should ensure—underline ensure—that the Scottish judiciary is represented. He should also ensure that the Scottish judiciary has—underline has—to be involved where Scots law is involved. Not only that, the operating rules for the tribunal that affect Scotland should be made or amended only after the agreement of Scottish ministers. Consultation is not enough.

In future, if we wish to amend parts I, III and IV

of the RIP bill that are devolved matters and are within our legislative competence, can we do so? It would be helpful if we could have an answer.

16:12

Michael Matheson (Central Scotland) (SNP): I will begin by offering Mr Gallie an apology that Mr Connery cannot make it today. However, Mr Gallie will be aware that Mr Connery is taking an active interest in the bill, given that it may have a bearing on his future employment.

I am sure that the minister recognises that some suspicion surrounds this bill and the purposes for which it is intended. Earlier this week, the Justice and Home Affairs Committee tried to consider it but came unstuck when it found that the Executive had not published the bill pertaining to Scotland. The minister should reflect on the amount of work the committee is devoting to Executive issues, as opposed to undertaking scrutiny of its own and introducing its own legislation.

My colleague Roseanna Cunningham mentioned that we have been supportive of Sewel motions when appropriate. She referred to the fact that a Sewel motion may be being applied in this case to relieve the Justice and Home Affairs Committee of some work. I believe that it is more a case of trying to give Westminster a free hand on the bill than any particular concern about the Justice and Home Affairs Committee's work load.

I am particularly concerned that, given the time scale that has been set for this bill, the committee and this Parliament will not have sufficient time to consider the details of the bill and the implications for Scotland. Let us be clear: this bill has major implications for civil and human rights in Scotland. It is not only that in some instances an exception will apply to Scotland; many aspects of the Westminster part of the bill will have an impact on our civil rights in Scotland.

Phil Gallie: Will Michael Matheson give way?

Michael Matheson: I have only a short time.

Among other things, the bill addresses interception of communications, intruder surveillance and covert surveillance. They are complex matters that require time to be properly considered. As members have highlighted, there is concern at Westminster not just among Liberal Democrats, but among Labour back benchers, who feel that the bill takes too many civil liberties from the citizens of England and Scotland.

Jack Straw made a comment similar to that made by Jim Wallace in his opening remarks today—that many of the measures that the bill will introduce will create a framework around what is already taking place. That is an admission that some of the services in Scotland are already

acting outwith their legal rights and it equates to the argument that as people's civil liberties are already being broken, we should legislate to ensure that they are broken in a consistent manner.

The SNP will, when appropriate, support Sewel motions, but in this case we are concerned about how the bill will infringe upon civil liberties and human rights in Scotland. It is for that reason that Parliament should examine the bill in an appropriate time scale. I ask the minister to take that on board. Parliament should be given the right amount of time to consider the full implications of the bill so that we can ensure—as all members have a responsibility to do—that we stand up for the civil and human rights of the people of Scotland.

16:16

Mr Jim Wallace: I will try to be brief.

The debate has been useful. Ms Cunningham has raised points of order in the past to the effect that I might have gone too far in a radio interview, but I find it rather rich to hear her say that what I announced in a written answer to Parliament did not matter and could be lightly dismissed. She might acknowledge that I wrote to her in her capacity as convener of the Justice and Home Affairs Committee. I appreciate, however, that that might not have got through to the spokesman for the SNP.

Roseanna Cunningham: Does not the minister agree that conversations that he and I—I in my capacity as convener and he as Minister for Justice—have are frequently not meant for public consumption. I respect that—I do not expect the minister to attack me for that.

Mr Wallace: I did not mention a conversation. I said that I had written to the convener of the Justice and Home Affairs Committee. I assumed that that letter would be communicated to the committee. That would be the proper course to take in trying to inform Parliament. It has also been made clear that the Executive intends to ensure that the Scottish bill parallels the UK bill. If anyone wants to know what the likely shape of the Scottish bill will be, they can pick up a copy of the UK bill. It will be for Parliament to decide whether to make any amendments. It is farcical to pretend that people have no knowledge of what is in the bill.

Roseanna Cunningham: The minister is well aware that until yesterday I was under the impression that the bill that was to be put before us after the Easter recess was the same bill, but including ECHR compliance. That it will not be was not public knowledge. That makes it extremely difficult to plan. Will the minister accept

that?

Mr Wallace: I accept that Ms Cunningham did not know that there were to be two bills, but the point that was made was that she had no knowledge of what the surveillance provisions in the bill would be. She would have had a shrewd idea of what those provisions will be if she had bothered to pick up a copy of the UK bill and examine it. We are hearing a lot of synthetic froth about the matter.

The matters that have been debated are serious and I hope that Parliament will have adequate opportunity to consult on and discuss them. I would like to make it clear that, provided we can get the Scottish bill on the statute book before 2 October, we will return to it after the summer recess. That will be satisfactory.

Mr Gallie asked who would be allowed to authorise the highest categories of intrusive surveillance, including bugging of hotel rooms or cars. Such authority would rest with chief constables, but a police commissioner would have to be notified before a warrant took effect. Lower levels of surveillance—for example, trailing and the use of informants and undercover agents—would be authorised by a police superintendent or higher ranking officer.

Euan Robson asked about the mention in the Scottish bill of the Secretary of State for Scotland and whether that would, in practice, mean the Secretary of State for the Home Department or others. That would be the case in relation to security services because they are not a devolved responsibility. There is executive devolution on, for example, the issuing of warrants for telephone tapping and interception of communications. Exercise of such functions by Scottish ministers is under consideration. We will, no doubt, be able to examine that matter in the context of the bill.

Mr Sheridan raised a point about self-incrimination. Reversing the burden is not automatically in contravention of article 6 of ECHR—there are a number of statutory offences where the burden of proof is reversed.

Euan Robson asked whether it will be possible to amend parts I, III and IV as they relate to devolved matters. If it is in relation to Scotland, our view is yes, provided that the purpose would relate to a devolved matter of empowering the police to investigate crime.

Phil Gallie: I am still not clear about what will be in the bill that we have been told will come to this Parliament. From what the minister says, it sounds as if it will almost be a replica of the Westminster bill; in that case, can a draft be published quickly so that we can examine it?

Mr Wallace: In relation to intrusive surveillance,

the Scottish bill will parallel the UK bill. I am sure that we could make arrangements for Mr Gallie to have a copy of the UK bill.

We want to publish the Scottish bill as soon as possible. It will be for this Parliament to decide whether it wants the bill to be exactly the same; there would many advantages in keeping it as close as possible to the UK bill, but it will be a matter for this Parliament to decide.

We ask this Parliament to consent to the UK Parliament legislating in a devolved area because we believe that there are good reasons for having the uniformity I have mentioned in the areas to which I have referred. The last thing we want—Mr Gallie will grasp this point readily—is a grey area that would allow a high-profile case to fail because this Parliament's competency to legislate was challenged. The public would expect us to give them the protection they want.

This is about achieving a balance between individual rights and ensuring that the police have the—properly regulated—powers they need to detect and combat serious crime. That is why I ask the Parliament to support the motion.

16:22

Meeting suspended.

16:25

On resuming—

Agriculture Strategy

The Presiding Officer (Sir David Steel): The next item of business is a statement by the Minister for Rural Affairs on the forward strategy for agriculture. The minister will take questions after the statement, so there should be no interventions during it.

16:26

The Minister for Rural Affairs (Ross Finnie): As both Alasdair Morgan and Alex Johnstone know, following recent developments I was anxious to report to Parliament. It can be difficult to get the right timing for matters done on a devolved basis.

I am grateful for the opportunity to inform members about the outcome of the UK aid package that was agreed last week and to explain my thinking on how I want to move forward to tackle the underlying issues that face the industry. I will describe the approach I intend to take and touch on the content of a discussion document that I published today, copies of which were put in the Parliament information centre this morning. The aid package and the strategic discussion are inextricably linked. The former was an attempt to deal, in a small way, with the problem our industry faces, while the new strategy debate looks further ahead.

As part of a UK package amounting to some £200 million, which gives Scotland some 20 per cent of the UK total, I announced a £39 million support package for Scottish farmers last Thursday. I saw that as a very fair settlement and I hope it was welcome news for the industry. The details of the package are as follows: more than £20 million for less favoured areas in 2001; £12 million for dairy, beef and sheep farmers in the form of agrimonetary compensation; £2 million for a pig restructuring scheme; and around £3 million for an increase in the maximum weight of cattle under the over-30-months scheme. The latter two are subject to European Commission approval. Additionally, some £2 million is for measures to assist with marketing, business support and some of the costs borne by farm businesses.

The package has been the subject of quite difficult negotiation for some months. I made clear that my priorities for Scotland were the less favoured areas, agrimonetary compensation and the pig sector. I am therefore pleased to report that those priorities were well reflected in the final

settlement. While the arable sector was, unfortunately, not included in the package, I am pleased that I have at least been able to secure for specialist cereal producers a further £2.5 million as a result of my recent decision to alter the base area for Scotland.

Overall, we secured a very fair share of the UK package. I make no attempt to conceal the fact that it will not solve the problems, but it will, I believe, provide an important psychological boost to the industry as well as a valuable cash injection.

The £39 million package grabbed the headlines, but I also announced a wide range of additional measures intended to help farmers in the short term. They include help for farmers in complying with some very necessary pollution controls, including a sympathetic approach to implementation of the EC nitrates directive to help minimise the burden on farmers and to give grant assistance to those in the designated nitrate vulnerable zone.

The details of the proposed scheme will be discussed with the industry, but the aim will be to fund 40 per cent of eligible costs. In addition, we will defer introduction of the new integrated pollution prevention and control system for existing pig and poultry units by three years to help keep down costs. We also have plans to simplify the rules for registration of agricultural waste and licensing exemptions for the re-use and recycling of such waste and for simplification of the rules relating to the groundwater regulations.

I also announced initiatives aimed at controlling the costs associated with the processing of meat and confirmed that any increase in Meat Hygiene Service charges would be capped at the rate of inflation for 2000-01. There will also be an independent review of the efficiency of the Meat Hygiene Service and an examination of the current BSE protection strategy, to be carried out by the new Food Standards Agency.

Work is also under way to help the farming industry improve its returns from the market and increase income from other sources. My officials will discuss with industry representatives and enterprise bodies how support can best be provided to farmers wishing to exploit the potential benefits of information technology. As was mentioned in this morning's debate, we are already working with organisations in Dumfries and Galloway to examine the viability of developing local markets for local produce.

That represents a broadly based package of measures that is designed to help all sectors of the farming industry. It provides direct financial assistance and aims to reduce the burden of regulation, keep down costs, encourage new IT initiatives and stimulate marketing opportunities.

None of the measures, on its own, will turn around the fortunes of the industry, but I believe that with the wide range of other work that is taking place, these measures represent a firm commitment by the Executive to the future of this important industry.

That is only a starting point, rather than the end of the process. It is generally accepted that short-term measures can never provide the answers for the industry. We have known for some time that it will take more to secure a long-term sustainable future—a future in which, we hope, emergency aid packages will become the exception rather than the norm. That is why today I have launched a debate on the future strategic approach for Scottish agriculture.

My aim is to stimulate a wide-ranging debate on the creation of a strategy that will assist our agriculture industry to fulfil its potential as a viable and sustainable component of rural Scotland. I know that many in the chamber will take a keen interest in that debate. We all know that 75 per cent of our land area is given over to agricultural production. Few, if any, of us are not in some measure affected by the state of our farming industry. That is particularly true of those who live in rural communities, where agriculture is a major employer and creator of wealth. The future of agriculture is also important for other reasons, such as its influence on the environment and the contribution it makes to leisure and tourism. It also contributes a social dimension to many of our remote rural areas.

It is well established that agriculture is a cyclical business in which development has often been punctuated by alternating highs and lows. That is not peculiar to the industry in this country—the same kind of patterns can be seen to varying degrees throughout the world. Clearly, there are some factors over which we have little control—factors such as weather, widespread economic downturns, over-production and changing consumption patterns—but it is equally clear that we need not be totally unprepared for bad times. Indeed, if our agriculture industry is to survive in any meaningful form, we must create a more robust structure that can cope with the inevitable downturns.

I have, therefore, issued a discussion document, in which I ask all concerned to take time to consider the issues that it raises. My aim is to work towards a final strategy by the end of the year. I hope that in due course time will be available for a proper debate on the document, which members received only today. I hope that, after reflecting on it, members will have an opportunity to contribute to such a debate.

There can be no doubt but that the last few years have been deeply traumatic and damaging

for our farming industry, as it has been hit by one problem after another. Additional financial aid has been provided, but welcome though it has been, even the National Farmers Union in Scotland has recognised that a sticking-plaster approach is not sufficient in the long run. It is not the way in which the Executive wishes to operate, nor is it the way in which the industry wishes to operate. That has been made clear to me by the many people in the industry whom I have met since I took office. They want to be in a position to earn a decent return from their efforts. The Executive is committed to helping farmers to do that, and this strategy is designed to facilitate it.

In any discussion, we need to begin with the facts. For that reason, the document sets out the background to the situation in which rural Scotland finds itself and outlines the contribution that agriculture makes to rural society. It touches on factors such as rural employment, economic and social contributions and environmental factors. It also describes recent trends in agriculture, exchange rate movements, the impact of World Trade Organisation negotiations, the prospect of EU enlargement and the wider opportunities and difficulties of world prices. All those factors must be taken into consideration.

Of course, it is the way ahead that is important. I do not want to give a set of answers. It is not for the Executive to impose a solution or a strategy on this most valuable industry. We must arrive at the solution from a bottom-up approach, in which we are all involved. We also need to assess constraints on progress, how they might be overcome, what the industry might look like in the future and how our policies and support might be fashioned to deliver optimum benefits.

That is nothing more than a quick snapshot of the approach that I am now taking. It is my intention to do all I can to ensure that this is a broadly based discussion, representing the views of all interested parties. My time scale of producing a final strategy around the end of this year will allow for discussion to take place throughout the summer and the autumn.

I hope that the Rural Affairs Committee will make a singular contribution. An important part of the process will be the discussion opportunities that my officials and I will arrange in various parts of the country so that we can hear at first hand from those who are engaged in agriculture. As part of that we propose to organise a major conference in Edinburgh immediately before the Royal Highland Show, which will give people who are at the show an opportunity to participate that they might not otherwise have had.

To help the whole process along, I intend to create a steering group that will oversee the development of the strategy and ensure that we

keep to time. I am anxious that this should not drift on as an endless discussion. I want the steering group to give focus to the discussion and to move the various parts of the discussion forward so that we will meet the target of the end of the year.

That is a brief summary of two important developments that have taken place in the past week. The first addresses some of the difficult, and far from solved, short-term issues; the other begins the debate on how we achieve longer-term aims. Both are important components of the Executive's commitment to create a viable and sustainable agriculture industry for the wider benefit of rural communities and Scotland as a whole. I hope that members have found this statement helpful.

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): I thank the minister for providing a copy of his statement in advance.

It is hard to disagree with much of the strategy document, because it contains some fairly obvious questions, such as

"What are the strengths of the Scottish agriculture industry?"

and

"Should the new strategy say anything about the likely future shape of the industry?"

I suspect that the answer to the second question might be yes.

It occurred to me to ask why those questions had not been asked immediately after the general election three years ago. Of course, then I remembered that the agriculture section of the discussion paper, "Towards a Development Strategy for Rural Scotland", which was published in October 1997, did ask some of those questions, and that the framework paper that was published a year later gave some of the answers to those questions. I suspect that some people will treat another document with a degree of cynicism. However, I do not want to be too cynical, as this is too important to ping-pong between political parties.

I will confine myself to two questions. I acknowledge what the minister said about a timetable and his wish to be finished by the end of the year, but I know how timetables tend to spin out. Will the minister give an assurance that this strategy development will be pursued with a degree of urgency and that there will be no slippage? Secondly, will he guarantee that the Executive will implement whatever recommendations emerge from this review?

Ross Finnie: As I said to Alasdair Morgan before making the statement, having to deliver a statement following a debate on what, I understand, was called the Sewel principle, filled

me with a degree of nervousness. The reference by Alasdair Morgan to a document that was issued in that name increased my nervousness. However, I am grateful to Alasdair Morgan for his constructive comments. It is true that the questions that are asked in the document have been asked before.

There is a serious point. I assure the member that I am determined that this strategy should be in place by the end of the year. The reason why some of these questions are repeated is that an open debate can be started with no agenda. However, I am sure that everyone in the chamber who has ever gone to a meeting where there is no agenda knows that it is an absolute shambles; therefore, I do not apologise for repeating some questions that have been asked already. The document gives a framework that will be greatly beneficial in trying to structure that debate and will enable me to follow through on the assurance that I have just given the member.

In implementing the strategy, I shall not shilly-shally if clear changes in policy direction are required and it is within my powers to make them. The purpose of producing this strategy document is so that we can begin to shape our policies to meet the genuine needs and requirements of the Scottish agriculture industry, not just for today, not just for tomorrow, but over a much longer period. In that way, we will engage in a process that the farming community itself has bought into, and everybody—the Scottish Executive, the parties and all people who are interested in farming—will be moving in the same direction, for the benefit of Scottish agriculture and for the benefit of Scotland.

Alex Johnstone (North-East Scotland) (Con): I thank the minister for publishing this document and praise the intent that lies behind it. I am sure that the Rural Affairs Committee will wish to become involved in the process and that it will have a great deal to contribute. As some members know, the committee has an extremely busy schedule, but I am sure that we will be prepared to put time aside to ensure that the document is dealt with in the constructive manner in which it has been introduced.

I welcome the aid package that the minister announced last week. However, my main question is on a specific issue in connection with that—the £20 million that has been allocated to less favoured areas for 2001. Is it fair to ask the minister whether it is simply an extension of the hill livestock compensatory allowance—or additional HLCA payment—that has been paid in recent weeks and was initially introduced by his predecessor, Lord Sewel? If it is an extension of that payment, which was also made in the previous two years, can it still be defined as new money? If that payment is to be made as part of

the HLCA for 2001, the payment is still almost 12 months away. If that is the case, is it fair to include the £20 million as part of the aid package that the minister has announced?

Ross Finnie: I am pleased at Mr Johnstone's positive and constructive position in saying that the Rural Affairs Committee will play an important part in the deliberations and in the formulation of the response to the discussion document.

As to his question, one of the serious problems that I faced when negotiating this package was a very real concern that if agriculture ministers in the United Kingdom were approaching the Treasury for financial assistance now, the Treasury might take a very obdurate view of matters later in the year. It seemed to me, therefore, that I should try to negotiate a situation that had not been offered. Mr Johnstone is right—it is a similar form of aid. However, I remind him that when the payment was first announced by the UK Government three years ago, it was clearly stated that it was a one-off payment, which was not to be repeated.

Given that 85 per cent of Scotland's agricultural land consists of LFAs, I was deeply concerned that if I did not secure aid for LFAs as part of this package, the package would be seriously flawed in relation to Scotland. That was my priority. It was a difficult balancing act; at times I felt like one of those chaps with a stick with a plate on top. I can see Mr Johnstone's point; however, the payment was a one-off. We have now secured it for the third year, which is enormously helpful, given the preponderance of our farmers who operate in LFAs.

As to the payment being a little time away, regrettably, even these elements of agrimony will take some months to filter through. However, I hope the fact that this package has been announced now will be hugely helpful to people who are trying to make arrangements for meeting their obligations, especially in terms of what—if I may be so blunt—their bank managers take off their future income stream.

Tavish Scott (Shetland) (LD): From the Liberal Democrat benches, I welcome the statement and the aid package. I associate myself, and the Liberal Democrats, with the remarks made by Alex Johnstone. I also welcome the minister's announcement that he will hold a conference before the Royal Highland Show rather than after it; that is eminently sensible.

I have two questions on the principles that the minister outlined. Does he accept that there is concern about the complexity of the LFA payment system that is being considered? Annex C of the discussion document makes a point about reducing bureaucracy, and it is important that we do not have conflict between those two objectives.

Secondly, on the review of the Meat Hygiene Service, does the minister accept that there is a need to look at small, low-throughput slaughterhouses in particular, because the MHS charges there are that bit higher per animal? We need to focus on that, and I hope that the minister will do so, in the context of his strategy.

Ross Finnie: Again, those were constructive comments, for which I thank Tavish Scott. I am glad he agrees that having a conference before, instead of after, the Royal Highland Show is perhaps more advisable.

Comparisons of LFA payments are indeed confused by the move from the present system of headage payments to a land-based system. From the consultation that we had even on that process, I certainly accept that there is a need to try to simplify the process. That point is well made.

I accept fully the point about the Meat Hygiene Service charges. Some of those issues were drawn to our attention in the Pooley report, which dealt with a range of such issues. I think that the Pooley report made 25 recommendations, only two of which could not be considered because they were not lawful under European directives. I met the Scottish Association of Meat Wholesalers yesterday, and the very point that Tavish Scott made on introducing a degree of derogation and relaxation to help the small processor is at the top of our agenda in trying to push forward all those Pooley recommendations.

The Presiding Officer: Ten members hope to be called. There is no chance of that, but short questions and answers will allow most of them in.

Irene McGugan (North-East Scotland) (SNP): Is the minister convinced that farmers who are still reeling from the crises that have beset them for months will recognise the document as an accurate appraisal of the state of Scottish agriculture? The document describes issues that have put people out of work and out of business as "challenges". Does he feel that social, economic and environmental development, which has been in decline, will be adequately promoted by the measures that he outlined?

Ross Finnie: I do not think that anyone in the chamber can try to claim otherwise. In trying to secure short-term financial measures, I have never claimed, and I do not claim, that achievement of those measures should be projected in a triumphalist way, nor have I ever suggested that it will overcome some of the serious problems.

I hope that people will recognise the document as an accurate appraisal. It includes, for example, statistics that indicate clearly the absolutely appalling total income from farming figures, of which Irene McGugan is well aware.

There is a real difficulty here. When is the right time to start talking about a forward strategy? The present circumstances may be right, although Irene McGugan suggested that they are not; perhaps she feels that this is the wrong time. The situation is enormously difficult, and I know that it will be difficult for people in the farming communities to engage in the process. However, I believe firmly that the situation is so serious that we simply have to start somewhere. I also believe that we have to start now. We cannot go on, lurching from one crisis to another. We must have a far more coherent and cohesive strategy for Scottish agriculture. I recognise the difficulties, and the fact that people will find it difficult to engage, but we have to work co-operatively and collaboratively to try to make that happen.

Mr Jamie McGrigor (Highlands and Islands) (Con): I thank the minister for his statement. Does he agree with the principles of the common agricultural policy? In particular, does he agree with article 39(b) of the Treaty of Rome, which states:

"to ensure thereby a fair standard of living for the agricultural population, particularly by raising the individual earnings of persons engaged in agriculture"?

Does the minister view £1,700 a year as a fair standard of living? Does he view Scottish agriculture as one of the dying communities that he has no intention of propping up?

Ross Finnie: I had no idea that Mr McGrigor was such an avid reader of the *Daily Mail*. I am sorry that he was not present at the meeting and that he did not hear all of the speech. I am also sorry that he believes everything that he reads in the press, because I did not say what he suggests I said.

I take the opportunity of informing the chamber that the remark that Mr McGrigor mentions was made when I was referring to criticism that I got over the Balmacara estate. I was asked by a radio commentator whether that was not just another example of money going to a lost cause. I said that I did not agree, and that I did not think that anything that I did was done simply to prop up dying industries. I said that what I was doing was trying to give support so that rural Scotland could survive. I hope that Mr McGrigor will accept that reassurance.

The article in the Treaty of Rome expresses a very fine sentiment. However, it is clear that the present CAP regime, and the way in which it operates, hopelessly fail the industry in its efforts to meet the treaty's objective. There will be enormous changes to the support regime in the next round of CAP reform. We have to have a strategy that, among its other objectives, tries to increase the income in the hands of our primary producers. That will be a hugely difficult exercise.

Part of the value added must go up the food chain and be placed in the hands of the primary producers.

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I would like to thank the minister for his statement, which was most welcome. I hope that his heart will not sink too much if I briefly touch on pigs. The £2 million restructuring is a move in the right direction, but I hope that the minister will recognise that the pig industry is still in tremendous trouble, and that very efficient producers—two of which live in my constituency—are considering going out of business altogether. That would kill the goose that lays the golden egg. How does the minister propose to address that? Will the minister also touch on his ideas on how to get Scottish pig products into Scottish supermarkets?

Ross Finnie: I recognise that the pig sector remains in great difficulties, although we can be thankful that the price of pigmeat, which at its lowest was around 60p a kilo, is now up at around 80p or 85p. I also saw a price of 87p last week. That still does not bring the pig sector into profit, nor does it help the sector to overcome its difficulties of the past two years.

The structure of the package that was submitted to the European Commission was largely drawn up by the National Pig Association in conjunction with the Meat and Livestock Commission. It was drawn up in recognition of the fact that approaches to Europe and the Commission had, I regret, made it clear that the Commission would not permit the payment of the costs associated with BSE.

I have reported to the chamber repeatedly on that issue. The package is intended to assist those who wish to reconstruct their business. If they are able to produce a business plan that involves some degree of borrowing from their bank, the intention is that they should receive a 5 per cent reduction in their interest rate to assistance them in their reconstruction.

Mr Stone asked about getting Scottish product into Scottish stores. The Scottish pig industry initiative aims to do just that, and we are in constant discussion on the matter. The Executive financially supports the SPI initiative.

Dr Sylvia Jackson (Stirling) (Lab): I welcome the minister's statement, which showed an awareness of some of the wider issues that we have to deal with. It also showed an awareness of the importance of the consultation process. He mentioned that agriculture is a substantial component of the rural structure, and that it impinges on the environment and hence on tourism, which is another big industry.

Does the minister agree that we need to take an holistic approach to rural society? Does he feel

that more cross-working between ministers and committees would help? Will the steering committee or other structures help in developing that holistic approach?

Ross Finnie: I want to address the specific problems that are unique to the agricultural sector. Together with my colleagues on the Ministerial Committee on Rural Development, I am coming to the final stages of producing an overarching strategy that addresses the broad question of rural development in Scotland. I hope that it will achieve a more holistic approach. All strategies will have to be integrated. If we are to address many of the difficulties that affect rural Scotland, it is imperative that all parts of the Executive can work together, and get away from the silo mentality.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Annexe C of "A Forward Strategy for Scottish Agriculture" mentions

"Reviews of Red Tape in respect of IACS"

and other matters. Does the minister acknowledge that the way in which the rural affairs department interprets the European regulations governing the implementation of the various schemes can only be described as overzealous?

The mode of interpretation that the department has adopted treats honest mistakes as though they were crimes. At any agricultural show or farmers market one will hear farmers say that they feel as if they are being treated worse than criminals. If the review creates an appeal mechanism, it is to be welcomed, although it will not alter the problem of the overzealous method of interpretation that the minister has adopted, no doubt on the advice of his civil servants.

Ross Finnie: As Fergus Ewing knows, I have been engaged in protracted correspondence. As I have said to the industry and several members, I am not happy that the way in which the present European directive is framed allows those who are implementing it almost no discretion at all. I remind members that only three years ago, following an audit of UK agricultural processing of integrated administration and control system claims where discretion had been exercised, the Commission said that we had been wrong and it surcharged the UK around £30 million. I have raised the issue as have other ministers across Europe. I am pleased to be able to say that members of the Commission are now beginning to understand that minor errors ought to be permitted and officials should be able to exercise discretion.

The second point to which Fergus Ewing did not refer, but which is close to being addressed, is that the penalty should be proportionate to what happens. I am seized of that and am anxious to continue to apply pressure in order to secure movement on that. I agree that the appeals

mechanism will be welcomed, but without that proportionality and degree of discretion, it will not make the difference that we are all hoping that it will achieve.

Robin Harper (Lothians) (Green): I welcome the minister's commitment to a long-term sustainable future for Scottish agriculture. I trust that he means by that the same as I do. In view of the fact that 40 members have signed my proposal for an organic targets bill, will he include on his steering group a member of that lobby?

Ross Finnie: I will certainly consider that in trying to achieve a reasonable balance. I cannot agree with Mr Harper on the long-term view because even I do not know whether organic farming will be more economically viable than any other method.

The question in relation to setting targets is interesting. If we were to set targets that do not reflect market trends, we would be embarking on a very dangerous course of action. However, Mr Harper is entitled to make such representations in the course of the debate.

George Lyon (Argyll and Bute) (LD): I welcome the document, which represents a step forward in the short term. I want to draw the minister's attention to two issues: the enlargement of the European Union and the decisions of the World Trade Organisation. Currently, agriculture is absolutely and utterly dependent on production-linked subsidies, which are vital to every farming business in Scotland. However, under the current WTO agreement, the peace clause that allows the subsidies to continue to be paid runs out in 2003. Those issues mean that we will need a significant reshaping of the CAP. Does the minister agree that we need to enter into discussion about the longer-term future of agriculture support in Scotland to ensure that the Scottish farming industry has a sustainable future?

Ross Finnie: I could not agree more with Mr Lyon. In my response to Jamie McGrigor, I highlighted the fact that EU enlargement could have serious consequences for the shaping of the CAP. I am aware that there is only a short time before the Uruguay round settlement expires and that we will need to move from the so-called blue box to the green box. Those pressures mean that we must address this matter urgently, which is a reassurance that Alasdair Morgan sought from me. External factors such as potential EU enlargement and the WTO's attempts to move us into the green box are serious threats to the way we currently operate. That is why we must have this discussion and a strategy that takes us beyond the next CAP settlement.

The Presiding Officer: As we began rather late, I will take one more question.

Lewis Macdonald (Aberdeen Central) (Lab): I welcome the new aid measures and the commitment to a strategic approach.

In the light of comments that were made during the dairy industry debate this morning, will the minister broaden the proposed opportunities for discussion around Scotland? We must include the views not only of farmers and crofters but of other industries within the supply chain in the agricultural sector and others with a stake in the future of rural Scotland such as the farmworkers union and the Transport and General Workers Union.

Ross Finnie: I am sorry that Lewis Macdonald got the impression that the issue would be debated only between farmers. I want to engage with a broad spectrum of interests, including others with landholding interests and people involved in all aspects of the food industry. We need a very broad spectrum of such people to inject their views into the process in order to understand the dynamics of this industry from the primary producer through to the consumer. All of those people must contribute to the shaping of our forward strategy.

Parliamentary Bureau Motions

Motions moved,

That the Parliament agrees that the draft Scotland Act 1998 (Cross-Border Public Authorities) (Adaptation of Functions etc.) Order 2000 be approved.

That the Parliament agrees that the Special Grant Report No.3 - Special Grant Report on Grant in Aid of Expenditure on Rail Services in the Strathclyde Passenger Transport Area be approved.

That the Parliament agrees that the following SSIs be approved:

the draft Civil Legal Aid (Financial Conditions) (Scotland) Regulations 2000

the draft Advice and Assistance (Financial Conditions) (Scotland) Regulations 2000

the draft Advice and Assistance (Assistance by Way of Representation) (Scotland) Amendment Regulations 2000.—[*Mr McCabe.*]

Decision Time

17:03

The Presiding Officer (Sir David Steel): There are 10 questions to be put as a result of today's business.

The first question is, that amendment S1M-736.1, in the name of Mr Jack McConnell, which seeks to amend motion S1M-736, in the name of Andrew Wilson, on financing public services, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scott, Tavish (Shetland) (LD)

Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 Mundell, David (South of Scotland) (Con)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is: For 60, Against 47, Abstentions 0.

Amendment agreed to.

The Presiding Officer: Because amendment S1M-736.1 is carried, amendment S1M-736.2, in the name of Nick Johnston, falls.

The third question is, that motion S1M-736, in

the name of Andrew Wilson, on financing public services, as amended, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McMahan, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)

Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sturgeon, Nicola (Glasgow) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Sheridan, Tommy (Glasgow) (SSP)

The Presiding Officer: The result of the division is: For 62, Against 47, Abstentions 1.

Motion, as amended, agreed to.

Resolved,

That the Parliament welcomes and supports the investment by the Scottish Executive in education, health and other vital services, matching the people's priorities with prudent costed expenditure plans, and endorses the additional funding of £288 million for 2000-01 announced by the Minister for Finance last week.

The Presiding Officer: The fourth question is, that amendment S1M-738.1, in the name of Ross Finnie, which seeks to amend motion S1M-738, in the name of Mr Adam Ingram, on the dairy industry, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Etrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McMahan, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Aitken, Bill (Glasgow) (Con)

Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McGugan, Irene (North-East Scotland) (SNP)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLeod, Fiona (West of Scotland) (SNP)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Tosh, Mr Murray (South of Scotland) (Con)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Hyslop, Fiona (Lothians) (SNP)

The Presiding Officer: The result of the division is: For 62, Against 47, Abstentions 1.

Amendment agreed to.

The Presiding Officer: The fifth question is, that motion S1M-738, on the dairy industry, in the name of Mr Adam Ingram, as amended, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)

Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McMahan, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Canavan, Dennis (Falkirk West)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Harper, Robin (Lothians) (Green)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)

Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Campbell, Colin (West of Scotland) (SNP)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 62, Against 22, Abstentions 26.

Motion, as amended, agreed to.

Resolved,

That the Parliament supports the Executive in its determination to help the dairy industry and all other sectors of Scottish agriculture as part of its overall commitment given in the Partnership for Scotland agreement to promote rural development in Scotland.

The Presiding Officer: The sixth question is, that amendment S1M-733.1, in the name of Roseanna Cunningham, which seeks to amend motion S1M-733, in the name of Mr Jim Wallace, on UK legislation on the Regulation of Investigatory Powers Bill, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)

Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)

McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)
 Young, John (West of Scotland) (Con)

The Presiding Officer: The result of the division is: For 30, Against 80, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The seventh question is, that motion S1M-733, in the name of Mr Jim Wallace, on UK legislation on the Regulation of Investigatory Powers Bill, be agreed to. Are we all agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)

Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Ettrick and Lauderdale) (LD)
 Johnston, Nick (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 McMahon, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)
 Young, John (West of Scotland) (Con)

AGAINST

Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Elder, Dorothy-Grace (Glasgow) (SNP)
 Ewing, Dr Winnie (Highlands and Islands) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)

Harper, Robin (Lothians) (Green)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 80, Against 29, Abstentions 0.

Motion agreed to.

That the Parliament endorses the principle of ensuring that the use of investigatory techniques is compatible with the European Convention on Human Rights, as set out in the Regulation of Investigatory Powers Bill, and agrees that the provisions within that Bill that relate to devolved matters should be considered by the UK Parliament.

The Presiding Officer: The eighth question is, that motion S1M-740, in the name of Mr Tom McCabe, on the draft Scotland Act 1998 (Cross-Border Public Authorities) (Adaptation of Functions etc) Order 2000, be agreed to.

Motion agreed to.

That the Parliament agrees that the draft Scotland Act 1998 (Cross-Border Public Authorities) (Adaptation of Functions etc.) Order 2000 be approved.

The Presiding Officer: The ninth question is, that motion S1M-741, in the name of Mr Tom McCabe, on Special Grant Report No 3, be agreed to.

Motion agreed to.

That the Parliament agrees that the Special Grant Report No.3 - Special Grant Report on Grant in Aid of Expenditure on Rail Services in the Strathclyde Passenger Transport Area be approved.

The Presiding Officer: The 10th question is, that motion S1M-743, in the name of Mr Tom McCabe, on the approval of Scottish statutory instruments, be agreed to.

Motion agreed to.

That the Parliament agrees that the following SSIs be approved:

the draft Civil Legal Aid (Financial Conditions) (Scotland) Regulations 2000

the draft Advice and Assistance (Financial Conditions) (Scotland) Regulations 2000

the draft Advice and Assistance (Assistance by Way of Representation) (Scotland) Amendment Regulations 2000.

Suicide

The Presiding Officer (Sir David Steel): The final item of business today is a members' business debate on motion S1M-418, in the name of Mr Kenneth Gibson, on suicide. The debate will be concluded, without any question being put, after 30 minutes. I remind members that business is not over for the day and that those leaving should do so quietly.

Motion debated,

That the Parliament notes with deep concern the death of 874 Scots by their own hand in 1998; is aware that since 1984 the proportion of male Scots aged 35 or under whose deaths can be attributed to suicide has increased from one in nine to one in four, and for females from one in twenty to one in seven in the same age category, making suicide the most common cause of death in young Scots; recognises that in Scotland the suicide rate for males and females of all age groups is 32 and 10 respectively per 100,000 and increasing, whereas in England it is 18 and 6 per 100,000 and decreasing; believes the reasons for suicide to be complex, multi-functional and poorly understood, and calls upon the Scottish Executive to commission, at the earliest date possible, wide ranging, comprehensive research into the issue of suicide, analysing what makes people take their own lives, why the suicide rate in Scotland is increasing, why particular groups in society are more vulnerable than others, how other countries prevent suicide, and introducing an early warning system of diagnosis and intervention.

17:10

Mr Kenneth Gibson (Glasgow) (SNP): I welcome the opportunity to debate this important issue and thank the members from all parties who have made discussion of this distressing subject possible and remained in the chamber to participate in the debate.

I acknowledge the important work of organisations such as the Samaritans and of individuals such as Professor Stephen Platt, director of the research unit on health and behaviour change at the University of Edinburgh medical school.

Between January 1997 and December 1998, 1,752 Scots took their lives. Every one was an individual: a mother's son or daughter; a brother or sister; a friend or colleague. Suicide is a silent tragedy, both for those who kill themselves and for the families left behind to grieve. More than a quarter of all Scots have known personally someone who has taken their own life. Among males aged under 35, more than a quarter of all deaths were from suicide, compared to one in nine a decade and a half before that period. Among the female population, one in seven of the same age group died by their own hand, compared to one in 20 in the mid-1980s.

Among young males, suicide so far outstrips other causes of mortality, with 550 deaths over the years 1997 and 1998, that the next two most significant causes—motor vehicle accidents and drug dependence—combined resulted in 514 deaths. Although, mercifully, the number of deaths of young females from suicide is lower—147 over the same period—suicide became the most common cause of death for that group for the first time in 1997, and remained so in 1998.

In Scotland, the level of mortality from suicide among all age groups is at an historic high and is increasing, whereas, as the text of the motion indicates, it is thankfully decreasing in England. We need to understand why. A concerted and co-ordinated response by practitioners, policy makers and researchers is overdue; I hope that the Deputy Minister for Community Care will directly address that point.

Over three decades, the number of suicides among young people and people aged between 35 and 64 has not just increased, but has done so relentlessly. That worrying trend requires urgent action from the Scottish Executive. Although I accept that mental health is recognised as a priority for the national health service in Scotland, the white paper "Towards a Healthier Scotland", published last year, did not mention suicide reduction. By contrast, in the white paper for England and Wales, "Saving Lives: Our Healthier Nation", not only has mental health been given a leading priority, but a target has been set to reduce deaths from suicide by 4,000 over 10 years.

Before I suggest how a reduction in the number of suicides may be achieved, I wish to touch briefly on how people commit suicide and on who is most vulnerable. What are the most common methods of suicide? Among men, hanging accounts for almost half the cases, and self-poisoning or self-gassing account together for more than a third. More than half the women who commit suicide die by self-poisoning, and almost a quarter by hanging.

Who, in socio-demographic terms, is most at risk from suicide? Factors of gender, marital status, social class, occupation, job insecurity and unemployment all play a part—divorced people, unskilled workers and men employed in farming, medicine and allied occupations are particularly at risk. Female nurses and health, education and welfare professionals also have relatively high levels of mortality.

What of the individual psychopathology of those who kill themselves? Sadly, between 10 and 15 per cent of people with either schizophrenia or an affective disorder will go on to commit suicide, as will a similar proportion of individuals with a history of deliberate self-harm. Former psychiatric

patients, alcoholics, heroin addicts, homeless people, remand prisoners and an increasing number of people suffering from clinical depression are particularly vulnerable.

We must accept, however, that many people who commit suicide fall into no obvious category. Population measures are thus essential if we are to impact on this serious problem over time. What strategies are required for effective suicide prevention? We must examine high suicide-risk groups, including people recently discharged from psychiatric hospital, those with a history of deliberate self-harm and of attempted suicide and those who have suffered sexual, psychological and physical abuse.

We must consider population-based solutions, such as reducing the toxicity of analgesics, car exhaust gases and anti-depressants; improving safety measures and installing freephone helplines at known suicide hot spots; introducing an early warning system for diagnosis and prevention; improving the availability of professional counselling and support mechanisms; more responsible portrayal of factual and fictional suicide in the mass media; suicide prevention work in secondary and tertiary education; and improving overall social well-being.

It cannot be doubted that the Executive faces a difficult and complex task. However, Canada, Finland and Sweden have shown that the dual approach of high-risk population solutions can work. To achieve success, the subjects of mental health and suicide need to be taken seriously and need to be seen to be taken seriously. We must work to break down barriers, including the taboo that mental health issues and suicide still have in our society. We should consider prosecuting under common law anyone who encourages or assists another to take their own life. We need integrated solutions, with health boards, local government and the voluntary sector co-ordinating their activities. We need realistic and obtainable targets to be set for suicide reduction. I urge the Executive to carry forward this process.

The Presiding Officer: No fewer than seven members would like to be called to speak in this debate. However, if they were all successful, they would have a minute each to speak. We will see how we get on.

17:15

Mary Scanlon (Highlands and Islands) (Con): I commend Kenny Gibson for raising the subject of suicide for debate and for speaking to the motion in such a compassionate and well-informed manner.

It is important that we highlight the discrepancy between the falling suicide rates in England and

the rising rates in Scotland. If this Parliament is to work effectively, it has to find Scottish solutions to Scottish problems. I have no doubt that we are all committed to doing that.

We must address the stigma on mental health. We can do that by encouraging open debate, discussion, understanding and greater sensitivity around the issue. We have made a start by addressing the issue today.

We also need to consider funding. Richard Norris of the Scottish Association for Mental Health recently gave evidence to the Health and Community Care Committee. He said:

"It is beyond dispute that mental health spending is not keeping up with general health service spending, despite the fact that mental health has been declared a priority.

Two recent Scottish Health Advisory Service reports into mental health services in Renfrewshire and Fife have identified a lack of investment as causing problems—affecting staff levels, the planning of new services and morale."—[*Official Report, Health and Community Care Committee*, 8 March 2000; c 628.]

Norris also highlighted the severe financial pressures facing local and voluntary sector mental health organisations—including the Scottish Association for Mental Health. He told us that the mental illness specific grant has been frozen since 1995-96.

We can do quite a few things to address this enormously complex issue. Kenny Gibson has alluded to people being discharged from psychiatric hospital. There is an enormous job still to be done to find seamless care for patients, not just the elderly and disabled, but also the mentally ill and the vulnerable.

By midday today, my desk was covered with research and data on suicide. I found it hard to come to a conclusion from the complex information and decide on a clear way forward. I believe that the Executive should collate such information at a national level and set out a strategy or a protocol to address the problem. I am particularly aware of the high and rising suicide rate in the Highlands and in the agriculture sector. We need as many solutions as there are complexities to the problem. Within the agriculture sector, the culture and the traditions of independence mean that people do not readily access the services that are available.

Some research suggests that general practitioners can help, whereas other research suggests otherwise. For example, the University of Aberdeen concluded that medical contact near to the time of the suicidal act was rare.

The most alarming figure in Scotland is the suicide rate among young men. On average, it is 50 per cent higher than in the rest of the UK. We need to examine why young men do not make

good use of health services or take time to care for their health or well-being. We need to examine why they have low self-esteem, why they feel socially isolated and why they are more afraid of expressing emotion. We need to examine why they do not have the confidence to seek help when they need it. There are many reasons, including poverty and discrimination. The information that we are discussing today seems to present a direct plea from a vulnerable strand of our community. I welcome this debate, which is the first step towards addressing a tragic problem.

17:20

Donald Gorrie (Central Scotland) (LD): I welcome this debate and would like to make two points. In 1996, the Edinburgh City Youth Café had some success with a trial scheme, "Time to Talk", which was funded by Lothian Health. The scheme was limited to one counsellor with only eight sessions a week. However, because there was good preparation and because of the informal and relaxed setting, 15 young people attended. They kept 81 appointments—71 per cent of all the appointments, which is a much higher proportion than is usual—and the young men attended more often than the young women. There were also more young men involved than is usual. The young men averaged eight and a half attendances each. In a small way, that shows that a well-prepared scheme to advise and support young people can help. The setting is important. I suggest to the minister that one way forward is to develop more of that type of thing, using existing, popular youth facilities in different parts of the country.

The other lesson that I have gained through a long involvement with the youth café is that we have not yet got our act together in terms of joined-up government. Young people who have behavioural problems, or who are in mental turmoil, also usually have difficulty in accessing money and in finding somewhere to stay and something to eat. We must provide the practical support that those young people need as well as the behavioural support. We must build up a system that deals with such people—from those who cause trouble in the classroom to those who might commit suicide. I know that that is a tall order but, if we organise our services better, we will save lives, unhappiness and money.

17:22

Dr Richard Simpson (Ochil) (Lab): I congratulate Kenny Gibson on lodging this motion for a members' business debate. I should declare that I am still registered as a psychiatrist. I am pursuing research, and have completed some research in this subject.

As a general practitioner, I came across a common belief that, because many suicide victims consulted shortly before they committed suicide, general practitioners should in some way be able to identify potential suicides. However, when the matter is studied in depth, one finds that it is extremely difficult to pick out those who will commit suicide.

We recently undertook some research with Professor Kevin Power of Stirling University, which took a retrospective look at some 40 suicides in the Forth Valley area. We found that the suicides fell into two different groups. One group consisted of infrequent consulters, who saw their GPs far less often than the average of 3.8 times a year. Members of the other group had much more frequent consultations. A research-based approach would therefore provide opportunities for us to begin to turn back the tide of suicides among young men in particular.

The group to which Kenny Gibson referred—those who have mental health problems—is important. People who have suffered schizophrenia or manic depressive psychosis are much more likely to commit suicide, and it would be helpful to identify people with mental health problems more clearly.

We must be realistic about the incredible increase in drug and alcohol abuse that we face. The co-morbidity that is associated with the abuse of drugs and alcohol by people who have mental health problems leads to situations in which suicide is more likely to occur.

Suicide has been researched since Durkheim produced his seminal study, back in the 1880s. He referred to a condition that he called anomie, which still exists today—a condition of isolation and poor self-esteem.

Those issues are compounded by drug and alcohol abuse and by unemployment. In its work with the social inclusion partnerships, the Executive is right to tackle some of those root causes in order to improve the situation, as that would help.

The question “Why are we facing a rising tide of suicide?” was asked at recent conference. Richard Holloway gave an extremely worthwhile talk on that occasion and described the situation as being at least partly due to the increasing pace of change in a complex society, to the fact that, particularly for men, the values and certainties of life are much less concrete than they were, and to the fact that people are excluded from education and from employment. He also talked about drug and alcohol abuse.

Why should suicide be more common among young men than among young women? The answer may involve gender perceptions, as

perhaps, for men, changes in gender perception appear greater.

The mental health framework gives us an opportunity to move forward. I am concerned that, although mental health has been a priority under both the previous Government and the present Government, as yet there is no great evidence that the health service is shifting adequate funds into mental health issues. We must constantly ensure that that shift in prioritisation is driven forward.

17:26

Robin Harper (Lothians) (Green): I am particularly glad that Kenny Gibson has brought this important motion to the chamber. I declare an interest, as the newly elected rector of the University of Edinburgh, where student suicides have, in a sense, attracted unwelcome publicity.

Colleges and universities in Scotland have student welfare services, counselling services and college wardens. In the first year, they do what they can, through peer support, to get students to support one another. The suicide rate among university and further education students is no higher than that among the rest of that age group of 18 to 25-year-olds, but suicide affects universities and university students in a particular way.

Anything that the Executive is able to do, in pulling together research and other measures so that universities and colleges can be assured that it is doing everything it can to make student suicides less likely, would be most welcome.

17:28

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I, too, congratulate Kenny Gibson on securing the debate.

I support the remarks made by Mary Scanlon, as I am particularly concerned about the higher incidence of suicide in the Highlands, in comparison with the rest of Scotland. One can speculate why that should be but, as Richard Simpson and Kenny Gibson said, it is difficult to isolate with any certainty a definite causal connection. Therefore, I am sure that everyone is concerned to do what can be done.

I wanted to speak in the debate because of my experiences as a lawyer dealing with people who have serious debt problems and who have been sequestered. My experience is that sequestration results in significant and most severe social problems, such as the loss of esteem, often the loss of a job and sometimes the loss of one's home. Sometimes, the attitude of banks and building societies can be described as obdurate and unhelpful at best. Another social problem that

can result from sequestration is the loss of a partner and the breakdown of a marriage.

Therefore, while sequestration is a small part of life—only a few thousand people are sequestered every year in Scotland—I thought it worth mentioning so that the minister, when he leaves to consider what should be done in response to the debate, is able to raise with the Minister for Justice the issue of reform, so that the stigma can be removed from the law of sequestration. We are close to that position, but the Parliament could remove it explicitly, which might begin to help those who, in future, suffer that multiple loss that can be the consequence of misfortune in business.

17:30

Lord James Douglas-Hamilton (Lothians) (Con): Kenny Gibson is to be thanked for raising this extremely distressing subject. Any preventive action that can be taken effectively should be welcomed.

I first became aware of the problem when I was deeply shocked when students whom I knew committed suicide, several of them because they were afraid of failing their degree exams, although I suspect that there were other pressures on them, too. Richard Simpson's description of isolation and poor self-esteem summed up the situation well. If those people had had appropriate counselling and had got through that difficult patch in their lives, they would have viewed things in an entirely different light a few years later. I suspect that many of those with mental health problems who feel intense depression at certain points, if they could be helped through those difficulties, would come to see matters from a wholly different and more objective perspective.

Research is necessary. I know that the managers of the Empire State building had to take precautions to stop people throwing themselves off the top. I mention that because, when I was a minister, I became aware of a place in Scotland where people had been committing suicide. I will not say where it is, because I do not want to put the idea into anybody's mind, but I immediately asked my civil servants to take steps to make it impossible for suicides to happen at that place. I believe that that had a salutary effect. The importance of research is that it points the way to effective solutions. In the past, the Scottish Office had some extremely able researchers, whose research was of great benefit to the public. Kenny Gibson's call for research has considerable merit and I hope that the minister will give a positive and favourable response.

The Presiding Officer: There is time for one more speaker. I call Christine Grahame.

17:32

Christine Grahame (South of Scotland) (SNP): Suicide is not an individual matter, but a matter for society. Two disparate groups have high suicide rates: Scottish farmers and people on remand. The simple reason for the high suicide rate for Scottish farmers is financial pressures. I know that every member would want to help, so we must address the real crisis in farming. The very nature of farmers' work means that they are isolated, although they have come from generations of farmers who were used to being proud and isolated.

The second group is prisoners on remand. We know from Clive Fairweather's report that the current system is dreadful and that remand prisoners are housed in the worst conditions. We know that just under 50 per cent of remand prisoners end up with no conviction, but the most vulnerable among that group of prisoners are the ones who take their own lives. Cornton Vale has made huge improvements under Kate Donegan, and I hope that Iain Gray and Jim Wallace will consider improving remand conditions so that we can remove those people from the suicide chain.

The Presiding Officer: I thank members for their self-discipline in keeping their speeches short. I call Iain Gray to wind up.

17:33

The Deputy Minister for Community Care (Iain Gray): I am grateful to Mr Gibson for raising this difficult and serious issue. It is not the first time that he has raised the matter in the chamber, and I am sure that it will not be the last. I am glad that many MSPs have supported the motion and have spoken in this evening's debate.

One life ended through suicide is a tragedy. More than 1,000—the figure mentioned by Mr Gibson—is a huge and unacceptable waste, bringing in its wake untold grief for families, friends and loved ones. There is little point in further rehearsing the statistics that Mr Gibson gave so succinctly. We must do all in our power to stop this appalling loss.

We must consider the variety of contributing factors. Mental illness plays a significant part and contributes to about 30 per cent of the total number of suicides, of which around 15 to 20 per cent spring from severe depressive illness, and about 13 per cent from schizophrenia. However, there are other factors. Misuse of alcohol or controlled substances is often implicated, creating intolerable personal and domestic problems and loosening inhibitions, facilitating the act of suicide.

As many members have said, life circumstances cast a sombre shadow. Poverty, unemployment, inhospitable environments, money problems and

dreary housing conditions can all combine to make life seem no longer worth while.

It is worth returning to the focus of Mr Gibson's motion, that young men are particularly vulnerable. The reasons for that, which have been referred to, are correct. They may lack helpful family support. They may have poor prospects of a worthwhile job. They may lack a sympathetic ear to confide in. Indeed, they may find it difficult to confide even if that sympathetic ear is available. They therefore deserve our special attention.

Against that background, there is much that can be done, and is being done. A raft of measures are being taken by the Executive to improve quality of life, to enhance job prospects, to deal with social exclusion, and to create a climate of tolerance, support and social well-being. They are all necessary, and will help to tackle the problem. However, I agree that we need to take more specific steps. Some have already been taken. For example, in September 1998 the Government introduced important new measures to reduce pack sizes of paracetamol and aspirin, which was aimed at reducing the incidence of impulsive overdose, and introduced new warnings on labels to emphasise the risks associated with overdose.

Richard Simpson referred to the framework for mental health services in Scotland, which offers best practice in the organisation of care and preventive measures. It recognises the isolation that can lead to suicide attempts, and encourages health boards and their partner care agencies to organise programmes of assertive outreach, which ensure continuing contact with those considered to be at risk. Indeed, the framework also promotes suicide prevention projects in collaboration with interest groups and the voluntary sector, as Mr Gibson said.

Mental health is one of the three main clinical priorities for the national health service in Scotland. That is signalled in a number of ways. Spending on mental health has kept pace with general health spending over a period of years, but this is not the debate to pursue the point that Mary Scanlon made. We are increasingly conscious of the need not just to deal with mental health problems, but to promote positive mental health. Clearly, that could have an impact on suicide prevention.

There has been much discussion of research. The chief scientist office and I are open to suggestions for research that will help to reduce the suicide figure. A good deal of research is ongoing. For example, the Executive is contributing to the funding of the national confidential inquiry into suicides and homicides by people with mental illness. That inquiry is examining the health records of all individuals who have committed suicide or homicide and who were in contact with

mental health services in the period up to the incident. The study hopes to identify common behaviour patterns, symptoms and so on in exactly the way that many members have referred to tonight. Indeed, the first report of the inquiry, entitled "Safer Services", which covered only England and Wales, was published last year. We are looking at its recommendations, and we await its next report, to be published shortly, which will cover Scotland. We hope that it will give us the information that we need to take our strategy forward.

The chief scientist office, which has responsibility for encouraging and supporting research into health services, has awarded funding of more than £135,000 in the past three years for two projects related to suicide and deliberate self-harm, but that is part of a wider national and international research effort. Indeed, the national research register lists 168 current research projects on suicide, so much research is being done, but Mary Scanlon was right: it is difficult to see what evidence there is for the effectiveness of prevention strategies. Many trials have been too small to generate conclusive findings. Even in high-risk groups, for example, those with a history of self-harm, fortunately, suicide is still a rare occurrence. Although in such a group its incidence is 100 times what it is in the general population, the suicide rate is still only one in 100. Sometimes it is difficult to move from research to practical measures.

Mr Gibson is right that there is experience elsewhere. Susan Deacon visited Finland earlier this year to discuss with her opposite numbers their approaches to a number of matters. One of them was suicide prevention, in which they have had some success. We are reflecting on the Finnish experience and whether it could be applied here. One of the lessons that was learned was that it takes 10 to 15 years to see the effect of trying to reverse such a tragic trend as that to which Mr Gibson's motion refers.

I am sorry that I cannot, in the time that is available to me, respond to all the points that have been raised, but I would like to conclude by welcoming the interest of Mr Gibson and other members in this very emotive issue. It is an issue that the Executive is determined to tackle through both general and specific measures that are informed—as is appropriate—by the available research.

It is incumbent on the Executive to listen to suggestions and we will examine those that have been made by Mr Gibson and others in the debate.

Meeting closed at 17:41.

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