

MEETING OF THE PARLIAMENT

Wednesday 31 January 2001
(*Afternoon*)

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Scottish Parliament

Wednesday 31 January 2001

(Afternoon)

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

Time for Reflection

The Presiding Officer (Sir David Steel): As members know, Saturday was observed throughout the country as Holocaust memorial day. We therefore welcome the Rev Ernest Levy, himself a survivor of the Holocaust, to lead our time for reflection this week.

Rev Ernest Levy (Member of the Jewish Clergy): Ladies and gentlemen, let me tell you a little of what happened to me during the Nazi persecution.

It is April 1944. I am 19 years old, and I find myself in Auschwitz, in a world of evil beyond human imagination. I cannot believe that what is happening is possible. People are herded together and transported in a totally inhuman way. The organised cruelty is uniquely terrifying. The emotional shock of the persecution is almost beyond what a person can tolerate. To survive mentally is sometimes more difficult than to survive physically.

Although it is not easy for me to speak out on these things, I know that doing so helps me to live with what has happened. The healing of what has been called survivors' syndrome is in sharing the terrible experiences of the past.

Mankind has made great steps towards international peace, but more must be done. Here at home we continue to witness xenophobia—that unfounded fear and resentment of the stranger and of the minorities that live among us. Minorities are not completely blameless. Sometimes they do not integrate easily into society. My own family in Bratislava was guilty of that. Self-segregation creates fear and hostility within the greater community.

Each person must be part of society without giving up his identity, values or traditions. Each person must recognise the validity of the other's beliefs and religion. Each human being is unique. We must recognise that differences can be wonderful in adding colour and spice to our lives. The more colour there is, the more beautiful the world becomes.

People learn from each other and their lives are enriched. In Glasgow, I have learnt much from the

Scots, and I hope that they have learnt something from me. My home town, Bratislava, was also a diverse community, but the differences were feared, not celebrated. Instead of being enriched, it was degraded and people became bestial. The Nazis proved to what depths humanity might sink once it is in the hands of the godless.

My hope was that, after the Holocaust, a new humanity would rise. That hope is not totally unfounded. We live in a better world. We must not allow religion to be misused again to increase suffering, promote intolerance or justify war.

Let us pray.

Lord of the universe, who lives in every heart, in every mind, help us to put the past behind us for the sake of today.

Although the immense inhumanity of man to man, the magnitude of Nazi crimes, cannot be forgotten, you have given us the wisdom that we might mourn but not be consumed by hatred.

Our hope is that the Scottish Parliament will show the way that will lead to the day when true humanity will triumph over prejudice and intolerance.

Amen.

Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill: Stage 1

The Presiding Officer (Sir David Steel): We come now to the debate on motion S1M-1525, in the name of Wendy Alexander, on the general principles of the Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill.

Before we begin the debate, I will respond to a point of order that was raised a fortnight ago about the temperature in the chamber. I am glad to tell members that some gadget or other is now carefully monitoring the temperature. Steps are being taken to ensure that we do not suffer as we have done in the past two weeks.

14:37

The Deputy Minister for Education, Europe and External Affairs (Nicol Stephen): With your leave, Presiding Officer, I would like to mention that members of all parties, including yourself, attended the first Holocaust memorial day at the Usher Hall last Saturday. Members who were not present will realise from Ernest Levy's remarks today what a moving and important occasion that was. Ernest Levy's life story has been made the basis of a learning pack which is available to all Scottish primary schools. His life serves as a warning and, I hope, an inspiration to future generations of young Scots.

The background to the Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill is well known. It grew from the demand of most—if not all—members, to break down the barriers to higher education and improve financial support for Scotland's students. After decades of cuts in student support, we have come a long way in the 18 months since the opening of our Parliament.

It is almost a year to the day since the Executive announced to the chamber its intention to abolish tuition fees. In autumn last year, tuition fees were scrapped for all eligible Scottish students. However, we recognised that the issue went far wider and deeper. That is why the Cubie committee was established to conduct a comprehensive review of the financial support that is available to Scottish students and to consider different ways of promoting access to under-represented groups.

The bill is central to delivering a new system of student support based firmly on the principles established by the Cubie committee. Once again, I thank Andrew Cubie and his committee's members for the considerable time and effort that

went into their recommendations. It is worth restating their guiding principles—that student support should promote social inclusion and enhance civil society, and that barriers to widening access and participation should be removed.

We have moved quickly to deliver on those principles. We abolished tuition fees a year earlier than the Cubie committee recommended. We will increase the money available to students from poorer families by up to £500 a year and we will introduce student bursaries of up to £2,000 a year. In order to help deliver those improvements in student support, we have accepted the Cubie recommendation that graduates should make a contribution—or, in the phrase coined by the committee, a graduate endowment—so that future generations of disadvantaged students can benefit.

However, we have made one important change to the recommendations. We guarantee that no student, even after paying the graduate endowment, will have greater debt than at present. Indeed, the overwhelming majority of students will have less debt.

We have had broad support for our plans. In the many discussions that I have had with students and their representatives, most have told me that they see the proposals not simply as an improvement, but as a significant improvement. I am pleased that that is reinforced by the wording of the Enterprise and Lifelong Learning Committee's report, which, commenting in paragraph 29 on the responses and the evidence that the committee obtained from witnesses, used the words "substantial improvement".

We have been working to a tight timetable, first because we want to introduce a new student bursary system from the autumn and put in place other important measures—such as the extension of support to distance learners that, for the first time, the bill will deliver—and secondly because we want to implement some of those measures more quickly. As members know, the bill as originally submitted did not fully express our plans for the graduate endowment, especially on the issue of the so-called ring-fencing of the endowment income.

It is agreed that making the changes when we did—at stage 1—allowed the Enterprise and Lifelong Learning Committee to give the bill the right sort of studied scrutiny and that that was better than waiting to introduce significant changes at stage 2. I would like to put on record my thanks to Alex Neil and the members of the Enterprise and Lifelong Learning Committee for their co-operation in delivering those changes while keeping to our tight timetable.

Over the past 10 years, the participation of

young people in higher education has almost doubled to 47 per cent. In 1989-90, the figure was 25 per cent. I am sure that individuals from many parties represented here will wish to take some credit for that—it is a significant achievement. However, while the total number of students continues to rise, the proportion of those from unskilled and manual backgrounds—socio-economic groups 4 and 5—remains at less than 10 per cent. Students from professional and technical backgrounds—groups 1 and 2—comprise more than 50 per cent of entrants. That difference is unacceptable and we are doing a number of things to address that under-representation.

For example, to improve opportunities and to break down barriers we must fund an increase in the number of student places available. We are doing that: 42,800 extra places are available in the period to 2003-04. We are doing more to encourage those in further education to move into higher education and to develop diplomas into degrees. We want more co-operation between our schools, colleges and universities, with the expansion of innovative initiatives such as summer schools for school-age pupils and new routes into university for lifelong learners, many of whom come from more disadvantaged backgrounds.

We must—and we can—do more, which is why we are introducing a new package of student support, which will deliberately target financial help at those from lower-income groups. With those proposals in place, Scottish students will have the best chance ever to benefit from higher education. This year, 25,000 Scots were accepted for higher education places in Scotland through the Universities and Colleges Admissions Service. That is 9.9 per cent up on last year.

Underpinning the new system are the following facts: 27,000 young students—about 40 per cent of the total—will receive a bursary of up to £2,000 a year. The full £2,000 bursary will go to students whose parents earn less than £10,000. Around 10 per cent of all young students—7,000 of them—will qualify for that full bursary. A bursary will continue to be available up to a family income of £25,800 a year. Students whose parents earn up to £15,000 will get £500 increased spending power each year, which will taper out at a family income of around £17,500.

A sum of £10 million will go into the mature students bursary fund to help mature students with their cost-of-living support. Around 30,000 mature students will be able to apply for that bursary. Work is continuing with the student support technical advisory group, made up of university, college and student representatives, to ensure that those awards are applied consistently across the whole of Scotland. That extra support will be

focused on help for child care and housing costs.

As recommended by the Cubie committee, some parents will be asked to contribute more towards their children's living costs. However, we decided to reject the recommendation that students from better-off families should get no access at all to public support or to loans. Under our proposals, all students will get a loan of at least £500 a year, no matter how high their family income. No student will have more debt, even if they are liable for the endowment, and many will not have to pay the endowment at all—mature students, disabled students, single parents and those taking higher national certificates and higher national diplomas. Over a four-year course, a student with a family income of £10,000 will have £4,000 less debt and £2,000 more spending power.

I have already mentioned the ring-fencing of income from the graduate endowment. I am pleased that the bill now makes it absolutely clear—transparent, as the Enterprise and Lifelong Learning Committee said—that income from the graduate endowment will be hypothecated for student support. Section 2 of the bill requires that, when the Executive brings budget proposals to the Parliament, it must make

“provision that the income arising from the graduate endowment . . . be used for the purposes of student support”

and that alone. Making that an explicit commitment in the bill has been widely welcomed and clearly demonstrates that the endowment is there to support the improvements that we are making, particularly for low-income students.

The principle of the endowment has been widely, although not universally, accepted and supported, but there has been much controversy about its collection and I would like to spend some time addressing that. There has been a lot of misinformation about our plan to use the income-contingent loan system to allow graduates to pay their graduate endowment. It has been suggested that we should be setting up an alternative, separate scheme that would allow us to set a different repayment threshold. As we could not require the Inland Revenue to collect the endowment for us under such a separate scheme, we would have to put in place a whole new system of collection. I fully appreciate the Enterprise and Lifelong Learning Committee's comments about the cost of our plans and I intend to provide significant additional information and detailed costings in relation to that before stage 2.

When the current student loan system was introduced in 1998, it had general support from students and representatives of student bodies such as the National Union of Students. There were no protests whatever about the level of the

threshold at that time. For the first time, using the tax system repayment is linked directly with income, and the collection process through the Inland Revenue uses pay-as-you-earn or self-assessment.

Some people are still paying under the old, so-called mortgage-style system. The mortgage-style income trigger is currently £19,100 a year, which, on the face of it, no doubt sounds much better. However, a graduate earning £19,100 a year under that mortgage system will repay £3,000 of their income this year. Under the income-contingent loan system, they repay £819 a year at the rate of 9 per cent of their income over £10,000. That compares with £3,000 per year under the mortgage-style scheme.

Mr Brian Monteith (Mid Scotland and Fife) (Con): I hear what the minister says. However, is the reason for the higher payment in the example that he gave that the period of payment has been adjusted and is over a shorter period? There is no reason why the Government cannot readjust the period so that it is longer.

Nicol Stephen: The Conservatives believe only in loans, and at full commercial rates. The period of repayment is significant, but under a mortgage-style scheme—and under the scheme recently launched by the Conservatives—Scotland's students would have to pay back more. Our scheme guarantees that there will be no additional debt. There would be significant additional debt under the Conservative proposals.

I understand that—

Michael Russell (South of Scotland) (SNP): Will the minister give way?

Nicol Stephen: I will give way, but I want to make this point first.

I understand that some people regard there being a system of separate repayment of the endowment as an important point of principle. However, I am interested in practical support for students. The practical reality is this: if there were a system of two repayments—one for the student loan and one for the endowment—people would still pay 9 per cent of their monthly income above £10,000 to repay their student loan, and there would be a separate, extra payment for the endowment. Where is the benefit in that for students? I simply fail to see the advantage of that principle for students and for student support.

I give way to Mike Russell.

The Presiding Officer: Order. I would rather that the minister did not give way, as he is on his last minute.

Michael Russell: He said he would give way.

The Presiding Officer: I know he did, but I am

afraid that since he first said it, he has passed the time threshold.

Michael Russell: For heaven's sake.

The Presiding Officer: It is entirely up to the minister.

Michael Russell: Will the minister give way?

Nicol Stephen: I think that I am going to be cut off. I still have some important words to say and I am running out of time. I will be winding up the debate and will be happy to address points later. I am at a key point in my speech and will already have to cut some of my closing remarks.

There is wide recognition that there is an argument for reviewing the income threshold. My view on that is well known. I believe that the £10,000 repayment threshold should be raised. It was set in 1998 and is overdue for review. I also sense recognition at the Department for Education and Employment that the current threshold cannot be maintained for ever. Scottish Executive officials are in close touch with their counterparts at Whitehall, who take the lead on such matters under the UK system. A decision is likely to be announced after the review of the impact of the new student loans collection system on small businesses, which is expected to take place in July.

A second point is worth underlining. No one will be asked to pay the endowment until 2004 at the earliest. In 2004, if graduates were asked to repay their loans at 9 per cent of their income above £10,000, I would regard that as unacceptable. I am convinced that, well in advance of that date, the threshold will be raised.

To summarise, I want to remind the Parliament of our commitment to students. We have abolished tuition fees and we have a new £53 million package of extra support for students. From the autumn, Scotland will have a higher education system with one of the best student support packages in Europe. I hope that the chamber will support that and the stage 1 motion.

I move,

That the Parliament agrees to the general principles of the Education (Graduate Endowment and Student Support) (Scotland) (No.2) Bill.

The Presiding Officer: In relation to my previous intervention, I inform members that the Procedures Committee has asked the Presiding Officers to try to keep front benchers to their allotted time. From the number of names on my screen, I can tell members that not everyone who wants to be called will be called. That is why I discouraged the intervention.

14:54

Mr Kenny MacAskill (Lothians) (SNP): Well, well, well. What a week this has been for the coalition. They say that bad luck comes in threes. Luck has nothing to do with it; the coalition has reaped what it has sown—pledges of an end to sleaze, commitments to care for the elderly, statements about killing tuition fees stone dead. In each and every one, the coalition partners have, in the words of Sir Stewart Sutherland, led us up to the top of the hill and led us down again. Things could only get better, said Peter Mandelson and his socialite acolytes. An end to Tory sleaze was promised. Now the prince of darkness has fallen on his sword, yet again.

Last week, this Parliament debated a motion on care for the elderly that would have committed the Executive not only to the principle of free personal care but to a definitive time scale. Ironically, it preceded a members' debate on our famous bard, Robbie Burns. The junior partners in the one-party coalition were bought and sold not even for Labour gold, but simply for an unequivocal commitment from the Labour commissar—otherwise known as the Minister for Parliament—to bring proposals forward to implement free personal care for the elderly sometime, somehow, some way. It is no wonder that Mr Raffan did not know whether to resign.

Today, there is a hat trick for the coalition, as tuition fees return to haunt it. The Minister for Justice and leader of the Liberal Democrats Scottish division—second division more like—pledged promised and proclaimed the length and breadth of the country throughout the duration of the election that tuition fees would be killed stone dead. Tuition fees have not gone away, because what we have got is students paying tuition fees at the end of their university education as opposed to at the start of it.

Nicol Stephen: Will Mr MacAskill give way?

Mr MacAskill: Not at the moment.

The Liberal Democrats cannot wish tuition fees away. If it reads like a tuition fee, acts like a tuition fee and hurts like a tuition fee—[MEMBERS: "It is a tuition fee."] All the cosmetic dressing—

George Lyon (Argyll and Bute) (LD): Will Mr MacAskill give way?

Mr MacAskill: Not at the moment.

All the cosmetic dressing in the world does not alter the individual pain that will be felt by this generation—and generations to come—of young people who would seek to better themselves educationally so that they might contribute more to society.

The problem with the bill is that—as the saying

goes—the devil is in the detail. Like all the organisations that gave evidence—either to the Enterprise and Lifelong Learning Committee or to Cubie—the SNP welcomes some points. It is right and proper that the council tax anomaly should be dealt with, but what about addressing the right to benefit when someone is unemployed and their grant—sorry debt—does not stretch for the month of July, never mind the summer?

The extension of student support is also welcome, but the dispensation of some offerings cannot disguise the educational black spot being placed in the palm of every student's hand in the shape and form of continuing tuition fees.

As was said in previous debates, it ill befits those who reaped the harvest of universal education—who so clearly gained as a result—blatantly to trample the seedcorn of ambition of a subsequent generation. I do not know the educational background of the minister, but the benefits of a universal education that saw the lad o pairs rise from humble origins to the pinnacle of the elite and the establishment in this country is common knowledge. Take a bow Jack Straw, Gordon Brown and even Charles Kennedy?

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

Mr MacAskill: Not at the moment.

Their parents' generation did not saddle them with a financial burden for education. They not only lauded and encouraged, but financially provided.

Those who inherited the most from their elders are now not bestowing a legacy, but leaving a debt—what a selfish act.

What is the SNP's position? Our position—unlike that of the coalition partners—has stayed solid and true. No tuition fees: not before; not during; not after. In the previous debate in this Parliament on this issue, John Swinney said that Cubie's proposal for a graduate endowment

"breaches the principle of free access to higher education. This Government's proposal to replace the old tuition fees with a new tuition fee called the graduate endowment should be opposed for exactly the same reason."—[*Official Report*, 27 Jan 2000; Vol 4, c 499.]

Unlike others, we will not sell out on this point of principle.

Although we did not support the establishment of an independent inquiry, we fully co-operated with it. When it was finally concluded after many months and at substantial cost, we accepted it—apart from where the tuition fee remained. Hence our argument for Cubie plus.

It is for others to justify why, having invoked an independent inquiry, they have been selective in

their implementation thereof. Cubie was clear on amounts and thresholds—and I have listened to what the minister has said today.

Moreover, not only was Cubie clear in his report, he was unequivocal in his condemnation of the proposals in committee. The suggestion that a person has financially benefited from a degree when they earn over £10,000 is “utterly ridiculous” in the opinion of the Scottish ancients, “woeful” in the opinion of the University of Stirling and

“would give rise to a graduate tax”

according to Andrew Cubie himself.

Why is it that, when we have stood fast behind this principle, others have fallen by the wayside? We believe that education is not only in the individual's, but in society's, best interests. In this situation, there is a commonality of interests and a social responsibility. Education is not only the right of the individual; it is the responsibility of us all. The SNP believes that it is the duty of the generation that benefited from the rights bestowed upon them to ensure that a similar legacy is left for forthcoming generations.

As a child of the 1960s, I grew up in a society that saw not only new schools at every level, but the availability of universal higher education without a tuition fee and with a grant. My generation, many of whom sit on the benches opposite, benefited from the foresight of the generations of our parents and grandparents. Those who took so much, but choose to leave so little, should hang their heads in shame.

Nicol Stephen: Will Kenny MacAskill confirm that the SNP election manifesto for the Scottish Parliament suggests a maximum bursary or grant for Scotland's students of £500 a year and that our proposals will introduce a grant of up to £2,000 a year?

Mr MacAskill: We are talking about principle; we started—and are retaining—the principle of no tuition fees.

This Executive likes to make great play of the fact that 40 per cent of youngsters in Scotland proceed into higher education. Although we welcome that, a small independent nation of approximately 5 million people aspires to 60 or 65 per cent and more. I refer to Switzerland. [MEMBERS: “Finland!”] I am sorry—I mean Finland. The Finnish education minister set us an example when he told a higher education and the Scottish Parliament conference that he wants to provide higher education for 60 to 65 per cent of the relevant age group. He said that tuition fees were considered, but rejected; they play no part in delivering the Finnish minister's ambition.

A report by the Organisation for Economic Co-operation and Development on the situation in

Finland states:

“The student aid system has been instrumental to the extension of educational opportunities . . . changes have been introduced with the purposes of increasing security, reducing indebtedness and easing the strain on the students who are worst off”.

The Executive should learn from Finland. We must not discourage ambition for the future with a financial penalty.

Mr Andy Kerr (East Kilbride) (Lab): Will the member give way?

Mr MacAskill: No thanks.

We cannot attract more people into education if every degree certificate is accompanied by a notice of demand for payment.

This matter affects not only Scots who wish to study, but those from outwith Scotland—near and far—who wish to study here. Let me make it clear: we welcome students from south of the border or from abroad. They add to the cosmopolitan vibrancy of our society and contribute financially to a key sector of our economy.

But what do we find? In Labour's first year in office, the number of applications from European Union students to study in Scottish universities fell by 18 per cent. In its second year, the figure fell by a further 10 per cent. It is the same story outwith the EU. The number of non-EU applications to Scottish universities fell by 6 per cent between 1997 and 1998, and by a further 16 per cent the following year.

The Labour party—with the acquiescence of its Liberal Democrat lapdogs—is trying to cloak the retention of tuition fees with the dispensation of a modicum of largesse to the student population. Notwithstanding the time and effort of Andrew Cubie, who has been rightly recognised with an honour for his endeavours, Labour has reneged and ratted on his recommendations. While the SNP has consistently argued for Cubie plus, this bill delivers Cubie minus.

The audience of students within and without this chamber will not be fooled by Labour's rhetoric or the clapometer of the eunuch partner in the one-party coalition; neither will it lightly forgive new Labour or agricultural Labour for the sins of its political fathers. A tuition fee is a tuition fee, whether paid at the beginning or the end. If the coalition rams through this bill, it hammers another nail in its political coffin. We will not forget—and students will not forgive.

15:05

Mr Brian Monteith (Mid Scotland and Fife) (Con): I am rather disappointed to see that the minister who is responsible for the bill—Wendy

Alexander—is not here to lead the debate. I hope that she will attend the winding up.

It is important that we ask ourselves why we are discussing the bill. It is clear to members of every party but those that form the coalition that we are doing so because of a shabby coalition deal because Labour needed to keep the support of the Liberal Democrats, who needed to save their collective faces. Let us remind ourselves that the Labour party broke its promise.

“Labour has no plans to introduce tuition fees for higher education”.

Thus spoke Tony Blair, who has gone on to break further promises. Within a month of the election, he had broken that promise and since then he has done it again and again.

What a fitting coalition it is when the Liberal Democrats break their promises too. They have a credo, of which we should remind ourselves:

“Everyone realises how praiseworthy it is for a prince to honour his word and to be straightforward rather than crafty in his dealings. Nonetheless, contemporary experience shows that princes who have achieved great things have been those who have given their word lightly, who have known how to trick men with their cunning, and who, in the end, have overcome those abiding by honest principles.”

The words of Machiavelli were never more apt than for the Liberal Democrats, led by their aspiring prince. The Liberal Democrats’ manifesto promise was to

“Abolish tuition fees for all Scottish students at UK universities”—

a pledge that they have broken.

Nicol Stephen: Will Brian Monteith tell us which Scottish student studying at a Scottish university is paying a tuition fee?

Mr Monteith: Nicol Stephen has misheard the quotation. I remind him of the Liberal Democrats’ manifesto promise:

“Abolish tuition fees for all Scottish students at UK universities.”

It is clear that the Liberal Democrats have broken their pledge. They have removed the front-end tuition fee and installed a back-end tuition fee for Scottish students. Let them not try to fool anyone into thinking that they have abolished tuition fees.

George Lyon: Will Brian Monteith give way?

Mr Monteith: No. George Lyon will be able to speak later.

Both Executive parties were in a fix. The Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill is a child of their marriage. Great myths surround it. Far from abolishing tuition fees, as the minister would claim,

the new scheme widens the net. Previously, some 30 per cent of students paid all their fees; now, some 50 per cent will pay the graduate endowment—the rear-end tuition fee.

Henry McLeish previously denied that tuition fees are having a detrimental effect, but now he is happy to say that the changes that have been made, in abolishing front-end tuition fees, are leading to more students taking up places. The Executive has implicitly accepted our position: that tuition fees were a disincentive. It has vindicated our position by granting exemption after exemption to mature students, disabled students and higher national certificate students, as the minister said. That is the crux of our argument. More than a year and a half ago, we argued that tuition fees were a disincentive. It is clear that the Government feels that the tuition tax—the rear-end tuition fee—will be a disincentive too.

If tuition fees were not the problem that we said they were, why were exemptions from the tuition tax granted? The truth is that the graduate endowment scheme is still a tax. It is a great con on our students. The minister says that no students will have a greater debt than students have at the moment. That soundbite has a hollow ring; it is not quite what it seems. It really means that no students will have a greater debt to the Government than students have at the moment. By reducing each student’s loan entitlement, the minister is ensuring that students will have to borrow more from the banks and credit card companies, paying higher interest rates in the process. Students will, undoubtedly, be in greater debt.

Nicol Stephen: I ask Mr Monteith to confirm that that is not the case, as the parental contribution made by a parent to a young student will ensure that that is not the case. Instead of the parental contribution being used to pay a tuition fee, it will now be used to provide student support. Individual students will therefore have less debt at the end of their courses, and that means that they will not have to go to a bank or find some other means of borrowing.

Mr Monteith: I do not know what universe the minister inhabits, but it is not the universe that most students in Scotland inhabit. I will explain why. Many students in the proposed scheme will be worse off: some students will receive only a £750 loan as it will be argued—just as the minister has done—that their parents should be able to provide more. Is this social justice, the great credo of the Labour party? Is it social justice to say to a student that we will treat them differently because their parents are asset rich even though they may be cash poor? That is not social justice, but prejudice and discrimination. Make no mistake—it is bigotry.

If we allocated student support on the basis of a student's colour, religion or nationality, we would rightly be condemned. Judging students by their parents is unjust and we are against it. Students should have the dignity of being judged as they stand as students and as students only. What is proposed in the bill is not social justice but social engineering.

I will deal with the practicalities of this flawed scheme rather than with the philosophy behind it. There is no doubt that, at £10,000, the threshold for repayment is too low. Average earnings for a graduate in the first year are just over £14,000. The intention might be that students who have benefited should make a contribution to the costs, but graduates who are earning £10,000 have clearly not benefited. It is a ridiculous state of affairs that has everything to do with the duplicity of Labour at Westminster, where the threshold was reduced from some £17,000 to £10,000.

When we return to power—and we will—we will raise the threshold for student loans to £20,000 and we will work towards raising the endowment threshold to £20,000. Furthermore, Scottish students taking degrees in physical education at Loughborough University or in music at the conservatoire have no option but to pay the fees because they have to study in England.

Another concern must be that the mature students bursary fund may be handled on a discretionary basis locally. We must maintain a national standard on the matter if the fund is to be handled nationally. What of the bursary funds? Again, they are a con. The tuition fee was never a fee; it was always a tax collected on matriculation. It was a tax because it was general and because it was not hypothecated to fund universities. Indeed, in the first year, university funding increased by only £4 million while the tax raised was some £19 million. The claim of hypothecation is crucial for the support of the Liberal Democrats. Donald Gorrie said,

“As long as we can persuade the public and the media that what we have done is not deferred fees, then it would be a runner.”

The bill shows that there is a bursary that is funded by the graduate fund. The deferred fees are a paltry £17 million. The evidence for that can be read in the Enterprise and Lifelong Learning Committee's report. The funds raised by the tax that goes to the endowment fund meets not even half of the bursary that has been proposed. There is no real link. The grant or bursary is purely stand alone, as is the tuition tax and as was the tuition fee. The bill is a sham. We will not support it and we will vote against it when it comes before Parliament.

15:14

Des McNulty (Clydebank and Milngavie) (Lab): When the Conservatives—and Prince Brian in particular—start making arguments based on equity, the rest of us should start looking for our wallets. There is something perverse about some of the arguments that we have just heard from Brian Monteith. In my experience of working in higher education for the past 20 years, the Conservative Governments that dominated that period consistently drove down the living conditions and circumstances of students. Anyone who went through higher education in that period will say that they did not get a good deal from the Conservative Government. They were consistently impoverished; they were consistently driven towards work instead of towards support; and they consistently had to make the choices that Brian Monteith deny they had to make, for example the choice between buying books and maintaining their lifestyle.

Mr Monteith *rose*—

Des McNulty: I look to Brian Monteith to defend himself.

Mr Monteith: The member is painting a picture that does not reflect reality. If he goes to any university in Scotland and looks at the car park, sees how many students go there in their cars and asks himself how many students had cars when he started working in higher education, he will see that students have made their own choices. Some of them have chosen to buy cars. Some of them have used the student loans scheme to fund that purchase. That is why the system changed.

Des McNulty: There is something entirely bizarre about Brian Monteith's arguments.

Let me turn to the new politics. It is worth placing on record some of the findings of the Enterprise and Lifelong Learning Committee—of which Brian Monteith is not a member and which I joined only recently, along with Kenny MacAskill. The committee report states:

“The Committee recognises that the proposed system of financing higher education is a substantial improvement on that which operates currently.”

I would argue that it is a very substantial improvement on the long-term trend of the funding of higher education students over the past 20 years. It is a step change and a real improvement.

The report continues:

“The Committee also recognises that the wider package of student support, including the introduction of bursaries, is likely to widen access to higher education.”

Part of my constituency is in West Dunbartonshire; part of it is in East Dunbartonshire. The part in West Dunbartonshire has the lowest rate of people progressing to higher

education in Scotland. I suspect that the part in East Dunbartonshire—in the former Bearsden and Milngavie district—has one of the highest. One of the Parliament's social justice imperatives must be to narrow that gap and to get more people in Clydebank into further and higher education, so that they too can benefit from the prosperous Scotland that we are all trying to create.

The report goes on to state:

"The Committee recognises that the introduction of the graduate endowment will not lead to a higher level of debt repayments by students as this would be amalgamated with any other loan, and that the Executive has also maintained that no student will face more debt as a result of the proposals in the bill."

That was what the committee said. Brian Monteith, of course, has a different perspective.

"The Committee recognises that the proposed threshold is at the lower end of the range considered by the Cubie Committee, but accepts that payment of an endowment is recognition of the benefits graduates enjoy from higher education"

and is a sound principle on which to operate.

We are discussing the principles of the bill. I believe that they are broadly correct. I may not agree with every dot and comma, or with every figure, but the principles that we are moving towards, including improved student support and a more consistent approach to student support, are highly commendable.

The report continues:

"The Committee notes the attempts by the Executive to lobby for an increase in the income threshold for repayment of student loans and supports this approach."

I think that there is support for that approach in the chamber.

The last of the committee's findings on sections 1 and 2 of the bill is:

"The Committee believes that the threshold for the repayment of loans should be updated at least in line with inflation as a matter of course."

That is the new politics, with people systematically examining a scheme in depth and detail, trying to analyse its impact. It is not the political posturing that we had from Kenny MacAskill, nor the Machiavellian approach adopted by Brian Monteith. We have to consider what is proposed in the bill not on the basis of politics, but on whether it is good for students, for higher education and for further education.

There are many good elements in the proposals, not least the principle of the endowment and the fact that tuition fees are to be removed—and they really are to be removed. That is a fact, whatever Brian Monteith has to say about it.

Incidentally, it is interesting to hear Brian

Monteith denouncing tuition fees. I seem to remember that, throughout the 1980s and 1990s, tuition fees were an important plank in what the Conservatives wanted to do to higher education. He is adopting a convenient approach.

Mr Monteith *rose*—

Des McNulty: I will let him defend that, too.

Mr Monteith: During how many Labour Government Cabinet meetings were tuition fees decided against? I can tell Des McNulty how many Conservative Government Cabinets decided against tuition fees: two. Has the Labour Government ever rejected tuition fees—or did it introduce them?

Des McNulty: I point out to Brian Monteith that the Labour Executive in Scotland decided to abolish tuition fees. I believe that every member of the Parliament will welcome that. I have spoken to students. They too welcome the Executive's approach. The abolition of up-front tuition fees removes an important barrier to higher education for the people I represent and is an important step forward.

Tuition fees are less important than movement towards a stable and fairer system of student support. I used to be in constant contact with students and had to deal with often heart-rending situations involving people who found that their immediate financial circumstances—the level of their entitlement or a sudden financial difficulty that afflicted them—led to their being unable to complete their studies or unable to devote the attention to their studies that I, as their tutor, wanted.

We are moving towards a new system in which students will not have the same level of anxiety about debt and more money will be available, particularly for vulnerable students, which is an important dimension of the Executive's proposals. The provisions that relate to child care and to council tax are also important. The fact that we are extending the scope of student support in the direction of giving more support to part-time students—although we are not going as far as I would like—is a valuable dimension of the Executive's proposals.

In the spirit of the new politics, I say that the Government has done a great deal to introduce an effective system of student support in Scotland. That is a major step forward and deserves to be treated and discussed seriously. Some improvements can still be made but, in principle, the bill should be emphatically supported.

Mr Monteith: On a point of order, Presiding Officer. I do not wish to accuse Des McNulty of dissembling, but is it in order for a member of a committee to quote from a report when that

member knows that dissent was recorded on the very points that he quoted and when he omitted to point out that dissent to members in the chamber or to the public in the gallery?

The Deputy Presiding Officer (Mr George Reid): It was up to the member to quote whatever he wanted from the report.

We now come to the open part of the debate. I will call members of the Enterprise and Lifelong Learning Committee first.

15:23

Alex Neil (Central Scotland) (SNP): I begin by welcoming members of the NUS who are in the gallery. They serve as a reminder to us all of the importance of getting the issue of student finance right. We are not just talking about the nitty-gritty of student support; we are talking about the future of Scotland and of the people who will lead Scottish industry, Scottish education and many other facets of our lives.

The bill has four main sections, the first two of which deal with the graduate endowment. I make no bones about my position. I am opposed in principle to the concept of a graduate endowment, because I believe fundamentally and as a matter of first principle that access to primary, secondary, higher or further education should be free of charge at the point of use—like the health service—and funded through the system of general taxation. That is why I am a dissenter to the principle of a graduate endowment. I will return to a particular aspect of the endowment in a minute.

The remaining two main sections of the bill deal with widening access and making welcome changes to council tax liability for students. I welcome the measures that will widen access for lone parents, mature students, disabled people, people from low-income families and the other groups that are covered by the bill. When we come to discuss the detail of the bill during stage 2, I hope that we will ensure that all those measures achieve what they set out to achieve, that is, wider access to higher and further education.

I am limited for time, so I will confine my remarks to the threshold, which is the very nub of the issue. The Scottish Executive has set the threshold for the endowment at £10,000, because the threshold for the loan repayment is £10,000 and because it alleges that collecting the endowment will be cheaper and easier using the loan system. The points that I am about to make will be fundamental to the discussion at stage 2.

As the Enterprise and Lifelong Learning Committee said in its report—and this was the

unanimous view—the Executive has not yet presented evidence to convince us that the administration and collection of the endowment is best done through the loan system. Even if the Executive presents such evidence at stage 2, convincing us that that is the most effective way of collecting, the issue of the threshold of £10,000 will still remain. I would like the minister to consider the threshold again.

The Cubie threshold of £25,000 was not just picked out of the air because it was a nice figure on the day. There was a rationale and a logic to the figure. The average non-manual wage in Scotland is about £24,000. The logic of the Cubie report was that, when someone's wage goes above that level, that is when he or she starts to benefit from higher education. That is why the £25,000 threshold was chosen.

Clearly, there is not just a statistical difference between a threshold of £10,000 and a threshold of £25,000; there is actually a substantial conceptual difference in principle. Anyone working in McDonald's, or doing any other task that is not related to their degree, could well be earning—and normally will be earning—more than £10,000. The principle has been breached.

Pauline McNeill (Glasgow Kelvin) (Lab): I am glad that Mr Neil is addressing the principles of the bill and I hope that we will have the opportunity to debate those principles. I agree with some of his points about considering the threshold, but is he saying that the £10,000 threshold is, in itself, a barrier to people applying for higher education?

Alex Neil: For many people it is a barrier. Two issues arise from the figure of £10,000. First, for the endowment, if there is to be one, £10,000 is too low a threshold at which to start repayments. Secondly, we must consider the figure of £10,000 in relation to the loan, which has been static since 1998. The committee has said that the threshold should rise at least in line with inflation.

However, the connection with earnings is the important point that Cubie established. I am asking the minister to consider not just increasing the threshold for the loan and endowment in line with inflation, but re-establishing that vital connection between the threshold and earnings. Otherwise, we will be well out of kilter in four or five years' time, when the endowment comes into play.

I am sorry that I do not have time to make my other substantial points. I will do that in the press tomorrow.

15:29

George Lyon (Argyll and Bute) (LD): I would also like to deal with some of the substantial points that were raised in the Enterprise and Lifelong

Learning Committee when we took evidence. All the organisations that gave evidence welcomed the package as a substantial improvement on the current system. However, as Alex Neil has said, a number of them raised concerns about the level of the contribution threshold. I will deal with those concerns later in my speech.

In his evidence to the Enterprise and Lifelong Learning Committee, Andrew Cubie stated that the Executive proposals met the guiding principles laid down in his report, apart from that one issue of the contribution threshold. The report was very clear about fees; it said that they should be abolished and that has been done. If we look at the impact of that decision on entrance numbers—

Mr Jamie McGrigor (Highlands and Islands) (Con): Does Mr Lyon think that “abolish” and “defer” mean the same thing? If the students of Argyll and Bute had £5 for every time that George Lyon promised to abolish tuition fees before he was elected, they would probably have enough money to pay for the graduate endowment that his party has introduced.

George Lyon: As the Deputy Minister for Education, Europe and External Affairs said, no Scottish domiciled student has paid tuition fees this year and none is required to make any contribution later. That is a fact—the member should learn to look at the facts.

As the deputy minister said, the impact is already apparent in UCAS figures showing a 9.9 per cent increase in Scottish students accepted this year to more than 27,000 and in applications for the coming year that are up by 5.5 per cent in the same period. The students are most important in today’s debate and they are voting with their feet in support of the package.

The grant scheme is targeted at students from families whose incomes are below £18,000 per year. We need to remember that such students are under-represented in the student population at the moment. The grants of £2,000 are, as was said, four times higher than the SNP promised. It means extra spending power of £2,000 per year and £4,000 less debt for the poorest students. Most important, despite having to make a £2,000 contribution to funding the next generation of student grants, 99 per cent of students will have less debt when they leave university or college. That is very important.

Organisations giving evidence to the Enterprise and Lifelong Learning Committee supported the proposals, which they saw as a substantial improvement on the current student support system. Nevertheless, there was a lot of debate and disagreement on the threshold for repayment. No organisation giving evidence disagreed with the principle of graduates making a contribution—

it is as well to remember that it was a key Cubie principle. The only people who disagree with that principle are the Opposition parties. Disagreement was over the threshold.

In evidence, Dugald Mackie of the Cubie committee, when asked why it had not recommended raising the threshold on student loans, said:

“As odd as it might seem, that issue was not raised with us in the public consultations, particularly with students or their parents.”

He went on to say:

“Although we certainly discussed whether the £10,000 threshold should be raised or stay the same, we decided to leave the issue alone as it had not really been raised with us.”—[*Official Report, Enterprise and Lifelong Learning Committee*, 14 November 2000; c 1308-1309.]

Mr Monteith: The threshold may not have been mentioned by parents, but it was raised in our submission. I am happy to give a copy of it to anyone here to show that we raised that issue.

George Lyon: My point is that the Cubie committee travelled the length and breadth of Scotland, yet the threshold was not raised as a major issue. In the Scottish Executive consultation on this bill, only five out of 106 responses mentioned the loan threshold as an issue.

Miss Annabel Goldie (West of Scotland) (Con) rose—

George Lyon: I have taken a number of interventions and must wind up.

It has been argued that we should set up a separate Scottish collection system for the endowment. I am not convinced of that as it would mean more bureaucracy, more cost and less collected. However, I welcome the deputy minister’s commitment to give more information on that. If we are serious about changing the threshold, the way to do it is to raise it at Westminster—that is where the push should be made.

15:34

Mr Duncan McNeil (Greenock and Inverclyde) (Lab): As a former member of the Enterprise and Lifelong Learning Committee I appreciate the opportunity to speak, despite the fact that that opportunity arises because of the illness of my friend and colleague Marilyn Livingstone.

Members of the committee will be sick and tired of hearing my line of argument. Throughout the committee’s discussions, and in our debate in the chamber today, much of the attention has focused on higher education and support for university students. That should not, I suppose, be surprising, since many MSPs are from social

classes that traditionally send their children into higher education. Many sections of the media also belong to that group. The interests of higher education therefore have a powerful voice in Scotland and have been well represented in the debate.

The unfortunate consequence of that focus, however, is that further education colleges have yet again been cast as the cinderellas of education: their problems, and those of their students, are all too often eclipsed by the problems of their more glamorous sisters. As someone who benefited from second-chance learning, I want to redress the balance a little by reminding the chamber, if I may, of the merits of further education, which, unsurprisingly, is an agenda that is close to my heart.

I believe that everyone should have the opportunity to realise his or her full potential, regardless of social or economic background. The policy of widening access to further education so that it is no longer the preserve of the better-off must be a top priority. The need to widen access is clear. Although higher education expanded rapidly during the early 1990s, there continues to be a social divide. More than half the youngsters from well-off families go on to higher education, while only 10 per cent of youngsters from the lowest income groups do so. This is where FE colleges come in. If someone comes from a background where, as bright as they may be, going to university is more daunting than a trip to the moon, they need a stepping-stone to help them to keep learning. The lack of access to further education for working people represents a barrier to a modern and dynamic Scotland.

If we are to realise our ambitions in government, the situation must improve. We cannot deliver economic stability and prosperity, social justice or a knowledge economy without developing the skills and abilities of our work force. Promoting FE colleges is vital to our social justice agenda and a vibrant FE sector is essential if our economy is to continue to grow. On its visit to IBM at Greenock, the Enterprise and Lifelong Learning Committee witnessed a demonstration of that point. Although there is an international call centre there, we have to import people with language skills to staff it.

The bill begins to address the issues that I have outlined. Students studying higher education courses in FE colleges will receive clear benefits. Higher national students will be exempt from paying the endowment. The anomaly of parental contributions for school leavers starting on a further education course in comparison to those for school leavers from the same background starting on a higher education course, which has existed for many years, is addressed by the alignment of further education student support with

that for higher education. All mature students, lone parents and students with a disability will receive their education completely free. How is that for opportunity for all? I welcome the bill as it will help to expand access to further education and thereby deliver economic and social benefits.

15:38

Michael Russell (South of Scotland) (SNP): I am intrigued by Duncan McNeil's arguments. It is the first time that I have heard the argument that the best way in which to increase access to education is to charge more money for it. It sounds like something that Brian Monteith might say—it is nonsense.

I will start by pointing out the significant thing about the debate. In every stage 1 debate that there has been in the Parliament, the minister with responsibility for the bill has led on it. The Minister for Enterprise and Lifelong Learning is not here today. I am sure that Nicol Stephen is an able minister, but he is not now responsible for the bill. The Deputy Minister for Enterprise and Lifelong Learning and Gaelic has been reduced to a non-speaking role on the bill—in either of his languages.

That summarises the difficulty that the Executive has with the bill: it is too hot a potato for Wendy Alexander, who is not known for being backward at coming forward. The only person whom she could get to introduce the bill was, of course, a Liberal—one of the gullible Liberals who put themselves up on any occasion, to do any job, no matter what it is.

George Lyon: Mike Russell should speak to the bill.

Michael Russell: I will come to Mr Lyon in a moment. He will not be ignored.

I am glad that the Alasdair Morrison has returned to the chamber.

The fact that Nicol Stephen is leading on the bill summarises the Executive's attitude. The bill is, to use a word from one of Alasdair Morrison's languages, a complete and utter bùrach—it had to be withdrawn and reintroduced.

Nicol Stephen rose—

Michael Russell: I see that minister who has been landed with the bill is rising to intervene. I would be happy to hear what he has to say.

Nicol Stephen: One minute and 34 seconds into Mike Russell's speech, I wonder whether he has any substantive points to make.

Michael Russell: Indeed I do. I seem to recall 11 minutes of non-substantive points from Nicol Stephen—as usual, I am doing better than he is.

Let me come to a very substantive point: the Executive is embarrassed by the Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill. The bill is incompetent and is designed to cover the political embarrassment of the Liberal Democrats—it is a fig leaf. We should not be debating such a bill. Let me remind the minister that he was elected on the principle of free access to higher education, yet he stands before us talking about something altogether different.

The serious issue of the debate is student debt. On Sunday night, “Panorama” was devoted to debt and showed us an extract from a 1987 programme in which a fresh-faced Tony Blair talked about the war against debt and poverty. Here we are listening to a group of ministers and MSPs who benefited from free access to higher education and who are content to allow a new generation of students to fall into debt. That debt turns young people off higher education, drives them out of higher education and makes them regret that they ever entered higher education. After the Scottish Qualifications Authority debacle, the last thing that we should be doing is deterring young people from higher education, yet that is what the bill does.

Duncan McNeil’s point about charging for access is nonsense.

Robert Brown (Glasgow) (LD): Will the member give way?

Michael Russell: No. That point is a mere fig leaf for a bill that is shameful.

Maureen Macmillan (Highlands and Islands) (Lab): Will the member give way?

Michael Russell: No. I am sorry, but I must continue.

We need to make people respect politics and the Scottish Parliament. Sadly, the bill does nothing of the sort. Instead, the bill shows that it is possible to put together a tawdry political compromise to save the Liberal-Labour Executive. That was its purpose.

Unfortunately, the bill has introduced one or two measures that are worth supporting. That is a clever move—probably the work of Nicol Stephen. There are one or two things that are worthy of support, such as the provisions for distance learning and the long-awaited changes in council tax charging. However, the heart of the bill is not worthy of support. It is a shame that the bill is before the chamber and it is even more shameful that the minister responsible for it cannot come and speak to it.

15:42

David McLetchie (Lothians) (Con): As my colleague Brian Monteith made clear, the Scottish Conservatives are opposed to the main provisions of the bill and will vote against it, both today and on subsequent occasions. As many people have already said, the graduate tax is the price that Scottish students will have to pay for the Liberal Democrat betrayal and its sell-out to Labour on tuition fees. Whatever it is called, the Executive has simply substituted one tax on learning for another. No amount of sophistry, euphemism or weasel words can disguise the fact that the so-called endowment is, purely and simply, a tax.

In normal parlance, an endowment implies voluntary donation. In a marriage ceremony, when a spouse pledges, “with all my worldly goods I thee endow”, he does not do so at the behest of Nicol Stephen or any act of the Scottish Parliament.

Michael Russell: Not yet.

David McLetchie: Indeed. The spouse makes a voluntary commitment, freely entered into. There is nothing voluntary about the graduate endowment. It is simply a tax and one that will kick in at a ludicrously low level of income.

Pauline McNeill: Mr McLetchie has said that the Conservatives will be voting against the principles of the bill. I remind him that the bill introduces the concept of grants and access bursaries, so it is no surprise to Labour and Liberal members that the Tories will be voting against grants once again.

David McLetchie: That is right. We have already announced our proposed measures for higher education support. We believe that those will be beneficial to students in Scotland and will enable the system to be enhanced over the years. We make no apologies for that.

Quite apart from the pathetic presentational effort to deceive young people as to the true nature of the provisions by using a term such as endowment, I wonder whether a more sinister reason for the choice of language might be found in the structure of the Scotland Act 1998. As members will be aware, the Parliament has no legislative competence in respect of reserved matters. Section A1 of part II of schedule 5 to the Scotland Act 1998 states clearly that taxation powers are reserved to Westminster. The only exception to that in schedule 5 is in respect of local taxes. The other exception is the tax-varying power that is to be found in the main body of the act. However, neither of those exceptions is relevant to the discussion.

How, then, is the imposition of the liability on our students within the competence of the Parliament? It cannot be just a matter of nomenclature, as the

essence of what is or is not a tax for the purposes of the act must be determined by reference to the characteristics of the liability and not simply what it is called. Section 1 of the bill appears to me to have been drafted to avoid schedule 5 to the Scotland Act 1998, which deals with reserved powers, by linking liability to pay to

“the higher education benefits afforded to the graduate”.

Note the words “afforded to”, not “received by”. But as the definitions make clear, these so-called higher education benefits are not simply in respect of financial support provided to the graduate himself or herself, which of course could be nothing; they are also in respect of the financial support that is provided from the public purse to the higher education institution that he or she is attending.

If the competence of imposing a liability for such a benefit is certified and accepted for the purposes of this bill, I ask myself into what other areas of Government activity this principle could be extended to swell the coffers of the Scottish Executive. If it is competent to levy a graduate tax masquerading as a graduate endowment, which is payable in respect of higher education benefits, could we have a health tax masquerading as a health endowment that is payable in respect of benefits received from the national health service?

Could we be driving a coach and horses through the Scotland Act 1998 by conferring a back-door power of taxation on the Executive in this bill? This whole area requires close examination by the Enterprise and Lifelong Learning Committee at stage 2, and it is one on which I would welcome a preliminary comment from the minister in his reply today. The issue of when a tax is not a tax is an important one.

We are opposed to this bill, and we will move and support amendments that are designed to mitigate the burden of this tax on our young people, in the manner that has been indicated by a number of speakers.

15:48

Robin Harper (Lothians) (Green): I preface my remarks by indicating, irrespective of his support for the bill as a whole, my support for Duncan McNeil’s remarks—I see that he is not here—on the place of further education. We must learn to value teaching and learning in FE on an equal level with teaching and learning in universities. The value of FE should be preached in every secondary school in the country.

I welcome the fact that many disadvantaged and vulnerable groups in education in Scotland will benefit from this bill. Of course, those who are exceptionally well off will not be engaged in the

argument. My concern is with the average student in this country, who will be looking at this bill and asking, in a slightly perplexed fashion, “What is in the bill for me?” The average student may be looking at the bill and saying, “If I go into a relatively low-paid job that I really want to do or if I go into public service, I will be paying off what I owe for much longer than those people who go straight into well-paid jobs and can pay off their debt within a year or two years.” To me, that supports the fundamental principle behind Cubie’s suggested £25,000 annual income threshold.

How can the Executive represent the bill as genuinely equitable when it ignores that fundamental recommendation of Cubie? Raising the threshold would go part of the way towards reducing my concerns. Does the Executive think that it could negotiate to raise the present threshold for repaying the student loan to about £16,000? A figure that was any less than that would mean that the average student was in an inequitable position.

15:50

Donald Gorrie (Central Scotland) (LD): The issues for debate are how we provide the best possible deal to attract students from the widest possible range in our community, and how that might benefit the whole community of Scotland. That will depend on the brains of this and future generations maintaining our standard of living.

The debate is not about whether the Liberal Democrats are a bunch of complete weeds and a waste of space or—as some of today’s newspapers suggest—a bunch of heartless heavies who have beaten Henry McLeish into submission. The truth lies between the two descriptions. Both parties in the coalition make significant contributions. On issues such as student poverty and tuition fees, a reasonable though imperfect compromise has been reached. Nicol Stephen, among others, played an important part in that.

After the 1997 general election, I was appointed education spokesman for the Liberal Democrats in Scotland. I went round many universities and colleges and reported that the two big issues were tuition fees and student poverty. It was important that our party’s policy took account of both those elements and that we fed that into the system; I am sure that many Labour members felt the same. From that exercise came today’s conclusion.

The bill contains many good provisions and I am happy to support it. It tackles student poverty seriously, to the extent that students should be able to concentrate more on their courses and spend less time earning money. The bill will also help to reduce student debt. A student who

interviewed me recently said that the average student debt is £14,000.

Mr Duncan Hamilton (Highlands and Islands) (SNP): Donald Gorrie has always been a strong advocate of parliamentary will. Does he accept that the Scottish elections in 1999 returned 61 per cent at the first vote and 67 per cent at the second vote for parties that were committed to abolishing tuition fees? The member said that the deal was imperfect because of the negotiations that had to take place. How does he square that with Jim Wallace's comments that the people have made the matter non-negotiable?

Donald Gorrie: Student fees have been abolished, no matter what the rhetoric is from the Conservatives. I am not sure whether they think that the endowment is a fee or a tax. The fact is that more than 50 per cent of students will not have to pay. What sort of fee or tax is that? Would a bank provide loans, but say to half its customers, "You needn't bother to repay them." The amount that is involved is less than what the fees would have been. No fee will be charged—the debt that the student incurs during his or her time at university will be relieved by the £3,000.

Mr Monteith: Will the member give way?

Donald Gorrie: No. Mr Monteith has talked enough rubbish today.

The bill is not perfect, but it gets the scheme started. It will help further education students—as has been said—disabled students, part-time students, students on low incomes and mature students. There is a great deal of good in the bill.

However, the £10,000 threshold raises a serious problem. I was encouraged by what Nicol Stephen said about trying to get the provisions right before the threshold figure kicks in. We must consider that issue seriously, but if the deal is so bad, why are the English so jealous of us? They think that we have a good deal.

I will make one additional point that is not hugely important. The National Union of Students made a point about council tax. The problem is complex but, as a long-time Edinburgh councillor, I am aware of it. Some of the arguments that the NUS raised were quite sound—we should address them as the bill progresses.

I am happy to support the principle of the bill; we will try to get the details as good as we can.

15:55

Brian Adam (North-East Scotland) (SNP): It is wonderful to hear the Liberal Democrats managing to turn principle into compromise yet again—I wonder which principle they are not prepared to compromise on. I am not aware of anything that

they are not prepared to give up in order to accommodate somebody.

I enjoyed David McLetchie's conversion to a theme that I have been running with for some time—Labour's wonderful lexicon of misrepresentation of language. To say that the endowment is a gift and that it is voluntary is almost as bad as what Labour is doing with community ownership in relation to housing stock transfer—for which there is little demand from the community. We need only look at the Executive's proposals to see that the words that it uses almost directly contradict what it intends to do.

As we are dealing with overall student finance, I would like the minister to tell us what the Executive is doing to advance the matters that the Cubie report suggested ought to be dealt with at UK level. Does the minister wish to give us his thoughts now, or will he do it in his summing up speech?

The Deputy Presiding Officer: That is up to the minister, Mr Adam.

Brian Adam: A wide range of student finance issues must be covered. We have heard about tuition fees and endowments, but we have not heard about entitlement to benefits, especially during holiday periods. I hope that ministers—who appear to be spending more time talking to each other than listening to the debate—will talk to their counterparts at Westminster to ensure that that issue is raised.

Mr Gorrie's final point was well made. The Executive's intention to address council tax anomalies is worthy, but there is a danger that the proposals will backfire. Representations that I and many other members have received from student associations point out that where students share with non-students, it is quite likely that students will be put under moral and other pressures to contribute towards council tax bills. Before we get to stage 2, perhaps the Executive can think further on that and address the points that have been made by the NUS and other student associations.

15:58

Robert Brown (Glasgow) (LD): The contributions by most Opposition speakers have been banal in the extreme and are unworthy of the major significance of the debate. A classic example is Mike Russell who, having given us his grand speech, has departed the chamber. He put before the chamber a proposition that is blatantly untrue, when he alleged that students are being driven away from higher education by the Executive's policy. The fact is that, as a result of the Executive's policy, students are being attracted into higher education in greater numbers than ever.

During our consideration of those matters, I am comforted by the fact that the level of vitriol—it is vitriol and there are no two ways about that—that is directed at the Liberal Democrats is usually in inverse proportion to the significance of our proposals.

Mr Monteith: Will the member give way?

Robert Brown: I have only two minutes—Brian Monteith has had enough time. I will proceed, if I may.

With only five sections, the bill is small—it is probably one of the smallest bills that has come before the chamber since the Parliament was set up. However, it is a powerful bill because it will do two extremely important things. First, it will abolish tuition fees and, in doing so, it will reverse the direction that was taken by the Labour Government when it introduced them in the first place.

Secondly, it will bring back an element of student maintenance support, which again will reverse the tendency to go the other way that has been seen over the past few years. Both those things—done by the Scottish Parliament—are extremely important and permanent changes to the support system for students in this country. They can and will be built on by the Liberal Democrat-Labour coalition.

I shall conclude by dealing with one or two incidental points. It is regrettable that, in all that has been said, little detailed attention has been paid to the bill's implications. There will be a need to look at some of the transitional situations.

I toured some of the colleges in Glasgow a while back. The issues that were raised—mostly by college students, as Duncan McNeil rightly said—included the periods of payment of loans and grants, and the question whether people who start off in higher national certificate and higher national diploma courses and move to higher education will pay graduate contributions. The students also had questions about the situation of people over 25, but who were under 25 when they began their courses. There is a series of such problems that must be dealt with.

Most important, information must come from the Scottish Executive in good time before next term, so that people can make informed decisions about exactly where they stand. I would like an assurance on that final point from the minister when he sums up.

16:01

Mr Adam Ingram (South of Scotland) (SNP): Although I welcome the bill as an improvement on the current arrangements for financing higher education, it is also a major disappointment,

because the recommendations of the Cubie committee have been cherry-picked rather than implemented in full. It is even more disappointing that the concept of an endowment foundation, as laid out by Cubie, has been hijacked and transmogrified into a graduate tax scheme, crudely camouflaged by the endowment label.

Cubie envisaged a charitable foundation that would allow civic Scotland to contribute to the future support of those who enter higher education. Only graduates whose income rose to more than £25,000 would be required to contribute to the fund, with a total contribution of around £3,000. What the Executive has come up with is a completely different animal. It is, in effect, a scheme to collect tuition fees retrospectively. As the NUS has pointed out, that departs from any notion of financial benefit from higher education and the money will be payable on graduation by those who are liable.

I question the efficiency of the graduate tax. It is clear that straight abolition of tuition fees would have an annual cost of only some £25 million, taking into account savings that were accrued from reducing parental and spouse contributions to fees and living costs, and the consequent reduction in loans. The amount that must be raised from graduates is estimated at £30 million per annum—proof positive that tuition fees live on as graduate taxes. However, the cost to the Executive of making loans to cover graduate taxes is likely to be in the region of £15 million. In other words, the cost to the Executive of collecting £2,000 in graduate tax will be a massive £1,000, not including administrative costs. I put it to the chamber that that is an absurd arrangement and that the Liberal Democrats have been sold a pup by their coalition partners. Then again, the Liberal Democrats are more adept at achieving face-saving compromises than they are at sticking to the principle of free access to education for all.

I make a plea with regard to support for mature students. When it comes to laying out consequent regulations, we must ensure that national guidelines are married to local flexibility to meet the needs of mature students. In particular, we must ensure that prior expectation of available support does not diverge from what is delivered. Best practice—as established by the likes of Ayr College—in application for existing access funds should be applied uniformly throughout the country. Failure to do so will mean that a drive to widen access will lead to higher levels of drop-out among mature students, which will be damaging to the individuals and institutions concerned.

The Deputy Presiding Officer: We now move to winding-up speeches. The debate must finish by 4.30 pm, so winding-up speeches will have to be kept tight. Pauline McNeill has four minutes.

16:05

Pauline McNeill (Glasgow Kelvin) (Lab): Wendy Alexander's approach to the economy is the right one: to link directly Scotland's success in the world to a strategy of lifelong learning. Laying down the foundations to make our higher education system genuinely open and accessible is the key to allowing lifelong education. If we do not have a system that encourages the potential of all Scottish citizens, regardless of their economic background, the enterprise strategy will simply not work.

The Cubie report and the bill are very important contributions to modernising student financial support. Without the report, we would not be looking at that support today.

Brian Adam: Will the member give way?

Pauline McNeill: No.

We have been lectured by the Conservatives about our responsibility. Let us address the issue of whom we are responsible to. We have heard about the heyday of grants in the 1960s—I will say more about the Conservatives' commitment to grants in a moment. In those days, when there were grants, literally thousands of young school leavers did not even apply to attend university. Part-time students were left unsupported because the system was inflexible and recognised only young school leavers and grants. In the past, working people—who have been most blighted by the education system—went to work and got their education at night, which they paid for unsupported by the state. For 40 years, we have had a system that does not recognise the need for flexibility for poorer people who go to work. That is what will change with the principles of this bill.

It is sad that Mike Russell and the SNP cannot say even one good word about the principles of the bill. The central issue in the debate is access. We might differ on how that should be achieved and it is for Alex Neil's Enterprise and Lifelong Learning Committee genuinely to examine the detail of how it can be achieved.

Let us not forget that there are two defined issues—it is important to draw them out. There is maintenance support—how students live—and there is how people make a contribution to their course. Those are two different fundamental principles and they should be addressed differently. I have witnessed the demise since 1990 of the student grant system under the Tories and I think that the Parliament should celebrate the reintroduction of access bursaries, which brings back student grants. It is perhaps for the National Union of Students to argue about the level, but the fact is that the Student Awards Agency for Scotland—which was to be eradicated for all time—is being reinvented because we are

reinventing grants. It is thanks to Cubie that we have been able to do that.

Mr Monteith: Will the member give way?

Pauline McNeill: We have removed—

Mr Monteith: The member is looking at me as she speaks, so she should give way.

The Deputy Presiding Officer: Order. It is up to the member whether she gives way.

Pauline McNeill: Brian Monteith is deceiving himself.

The Deputy Presiding Officer: I see no eye-to-eye contact whatever, Mr Monteith. Will the member continue, please?

Pauline McNeill: One of the things that Cubie brought out, which we have not had a chance to discuss—I urge the Enterprise and Lifelong Learning Committee to consider it—is that there are issues, particularly hardship, that face students. Even if we get this right, we must continue to monitor the situation. It is not about only the students who are in the system now, but about making sure that the system is right for students who are thinking about coming into the system.

As for the SNP, its manifesto position last time was that it would introduce maintenance of £500. At least that recognised that there are financial constraints on the system. This afternoon, the SNP is offering more than £500. I would like to hear in its winding-up speech how much more the SNP will offer and what it will say in its manifesto for the general election on that point.

Mike Russell is right to raise the issue of student debt. We should not forget that we have a responsibility to ensure that students do not face high levels of debt—that is a continuing issue for the Parliament. However, again we hear no proposals from the SNP on how that debt would be eradicated. One of the principles of the bill is that it will attempt to do that.

I want to mention a few issues that I would like the Enterprise and Lifelong Learning Committee to address.

The Deputy Presiding Officer: Be very brief, please.

Pauline McNeill: Access funds that are awarded on grounds of hardship are too discretionary and I believe, as Adam Ingram said, that we should consider making them more universal. There are issues relating to students who are independent, such as orphaned students. The funding package is not clear about their position and we must make it so. We must also have a safety net for students who, through no fault of their own, do not receive their parental

contribution.

The debate should not end today. The debate should be on-going. That is where our responsibilities lie.

The Deputy Presiding Officer: Thank you. I warn the SNP and the minister that they probably have a minute less than was indicated.

16:09

Miss Annabel Goldie (West of Scotland) (Con): On first encounter, the Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill has a certain perfume about it—the perfume of a fragrant rose. However, on analysis, the petals wither, the smell becomes rank and we are left with some ugly, sharp thorns.

The first thorn is the question of what is a tuition fee. Labour should know because it introduced tuition fees, but let me assist. A tuition fee is a charge that falls on someone who attends university. Labour chose to introduce that charge and to apply it before the student had even got through the doors. That was the crude arrival of the tuition fee. The Conservatives, the Scottish nationalists and, interestingly, the Liberal Democrats thought that it was a bad thing because it was an undergraduate tax by any other name. The Conservatives, Scottish nationalists and Liberal Democrats called for the abolition of tuition fees.

If there had been no tuition fees—or undergraduate tax—there would be no graduate endowment bill and no debate today. We are debating the subject today because the Liberal Democrats said to their Labour colleagues, “Get rid of tuition fees.” Labour, with its characteristic legendary sleight of hand, said to the Liberal Democrats, “Fear not—we are abolishing tuition fees, because we are bringing forward the graduate endowment bill.” The Liberal Democrats, with equally legendary gullible compliance said, “Great. We will support you.”

This afternoon, Nicol Stephen said, “We abolish tuition fees.” I wrote down the words that Mr Stephen uttered.

Nora Radcliffe (Gordon) (LD): Does Miss Goldie agree that the genesis of the bill was the fact that the Cubie inquiry found from feedback from students that maintenance was as big an issue for them as tuition fees?

Miss Goldie: The genesis of the bill—I will come to this presently—is the need for Labour to achieve some form of electoral compact with the party that Nora Radcliffe represents and to try to dress that up as an abolition of tuition fees—which it is patently not.

This afternoon the minister said, “We abolish tuition fees,” yet this bill takes an undergraduate charge, pre-degree, and tacks it on at the end, post-degree. By any definition that is a rear-end tuition fee, a deferred tuition fee or—in other words—a graduate tax. As it is repayable at £10,000, it is a punitive tax. It is penal, deterrent and manifestly prejudicial and inimical to our students. Robin Harper raised a valid point—which came up in evidence before the Enterprise and Lifelong Learning Committee—about the lower earning capacities of certain of our graduate professions; there may be a real inability to contemplate repayment at that level. What will that do to the future support and sourcing of young people to meet vital needs in the Scottish economy?

The truth is that in the bill, we have a penal tax. It is a thorn, which pricks and draws blood. That is why, in principle, the Conservatives cannot support the bill; it would be patent dishonesty to do so.

The fragrances that have been used to market the bill are the ancillary provisions for mature students and disabled students, relief from council tax and the widening of access. Those provisions are commendable in their own right, but they are secondary. They do not constitute the primary principle of the bill, which is a sly tax. As Mr McLetchie has pointed out, it is a sly tax of dubious technical competence.

That sums up the Conservatives’ fundamental problem with the bill. What it proposes is not what it purports to propose; it masquerades as something else and it is unsupportable in principle.

16:13

Mr Duncan Hamilton (Highlands and Islands) (SNP): I will start by saying to Brian Monteith that the fact that I am looking at him does not mean that I am flirting with him.

At the start of the debate Nicol Stephen gave speech that was very interesting, perhaps because of what he did not say. Four or five themes have become apparent throughout the debate. First, the SNP has not disputed the fact that many measures in the bill are long overdue and welcome.

I accept Duncan McNeil’s comments and I support what he said about distance learning. Not a single member in the debate has disputed the fact that the removal of anomalies in council tax legislation is to be welcomed, so let us start from the point on which we agree. However, that is about all that we agree on. The central tenet of the bill was one of the major stumbling blocks during the creation of the coalition and it has remained a running sore.

The idea was that with the Scottish Parliament, we would have new politics and consensus. Allegedly, we were going to have shifting alliances. In fact, we have shifting policies. When there was the early prospect of a parliamentary majority, with 61 per cent at the first vote and 67 per cent at the second vote in favour of clear, unequivocal abolition of tuition fees, it seemed like a real new start in Scottish politics. However, that was dismissed as “election rhetoric”—a phrase that will come back to haunt the Liberal Democrats in the next Westminster and Scottish Parliament elections and in subsequent elections. The phrase broke a bond of trust with the people who voted for the members of this Parliament. Jim Wallace said that the people had made the subject non-negotiable, and then negotiated away the basic principle, so why is it a surprise that fewer and fewer people vote or get involved in the political process?

Even at the fledgling stage of the independent inquiry, the Executive decided, “When in doubt or trouble—review.” Maybe the Government has a problem with independent inquiries; as with Sutherland, so with Cubie. It was a case of cherry-picking the results, rather than implementing the thought-through recommendations of an independent review.

George Lyon: Will the member give way?

Mr Hamilton: No thanks.

The Cubie report was a package to be accepted in its entirety. Instead of accepting what the Cubie committee put together, the Executive decided on something less, because it did not want to concede the principle of universal free education.

The issue of graduate repayment has been absolutely central to the debate, and there have been some very good speeches about the threshold of the graduate endowment. For example, Alex Neil made several telling comments. I will quickly run through a number of points.

Kenny MacAskill made the first point in his opening speech. Let us accept that parties in the chamber oppose absolutely the principle of the graduate endowment. However, if the Executive is going to implement an endowment scheme, we must consider the threshold for repaying that endowment. If we follow the Executive’s logic, the point of the scheme was to take the money back from students because, as graduates, they would earn more money. However, what is the logical basis for then arguing that the threshold for repayment should start at £10,000, and not when the graduates are earning more money? Even if we want to go down the errant route of taxation, why are we taxing potential instead of actuality?

Robin Harper was correct. What about the jobs

that graduates might choose to take from a sense of worth or public service, which we are apparently here to promote?

George Lyon: Will the member give way?

Mr Hamilton: George Lyon knows about neither of those things.

What if the level of repayment acts as a disincentive for people to take jobs in public service? Are the Executive parties happy with that? If so, they should reconsider the matter. If the Scottish ancients call the proposal ridiculous and Cubie himself says that it will put us back on the road to a graduate tax, does not that make the endowment simply unacceptable?

We know that the £10,000 threshold is unacceptable because, in his opening speech, Nicol Stephen told us so. He told the Education, Culture and Sport Committee that he thought that the threshold was too low; today he told us that it is unacceptable. However, he then said—crucially—that he could not and, frankly, that he would not do anything about that situation. There is nothing that instils less confidence in a Government than such a statement from an impotent minister and Executive. Is the minister really so spineless as to say that he can do nothing about the situation, although he thinks that the proposal is unacceptable and disagrees with it? Should a new Scottish Parliament accept that that is good enough? It should not.

The minister then said that students should be grateful that they have only one payment to make. However, Alex Neil wondered why on earth the £10,000 threshold for repayment should be linked to student loans. The Executive has not provided the Enterprise and Lifelong Learning Committee with a shred of evidence on why that threshold is better than any other. The minister has been invited to provide that evidence throughout that committee’s deliberations and the debate, but we have heard nothing but silence.

The principle of the bill is very important, and not only for the obvious reason that we in Scotland have a traditional respect for universal free education. We talk about the concept of joined-up government—we should try to join up this debate with tomorrow’s debate on the economy and enterprise. Tomorrow, we will not have the faintest recollection that today we debated the imposition of a graduate tuition tax that will inhibit students from entering university and becoming educated and motivated. For example, a country such as Ireland—which has a young, educated and motivated work force—does so well at inward investment because it has taken the concept of education as an economic tool as the core of its policies. Why cannot we have that kind of joined-up thinking here?

Finally, let us put the issue of whether fees have been abolished in simple terms. Mr Monteith criticised my colleague, Andrew Wilson, for his sartorial inelegance. Imagine that Andrew decided to take that remark seriously and went shopping. Imagine that he went into a shop and bought a new suit—perhaps also a shirt and tie—and decided not to pay cash for it, but to use his credit card. Would that mean that the cost was abolished, or that he must pay the cost at the end of the month? The cost exists, the tax exists and the disincentive exists, but there is no commitment from the Government to the young.

16:20

Nicol Stephen: This debate has at times been sadly lacking in substance, so I will begin by referring to two important and substantive issues.

I agree whole-heartedly with the remarks that were made by, among others, Des McNulty and Robin Harper about the importance of further education. It is important that further education in our colleges throughout Scotland is not neglected. We intend not only to bring into line the parental assessment, but to bring about equality in the payments that are available to FE students. Those changes will be announced in due course.

Robert Brown talked about the importance of information to our students. I have here two booklets, one of which provides information to Scotland's mature students and one of which provides information to young students. The booklets were published on 15 January. I hope that all MSPs have access to them and that they are circulated as widely as possible throughout our universities and colleges.

Kenny MacAskill's speech was a flow of consciousness; sadly, it fell into the category of the rhetorical rant. I regret to say that it is difficult to respond to his remarks, as they were largely content free. Later, however, I will address some of the points that he touched on.

In the meantime, I move on to Brian Monteith's speech. In dealing with the Conservatives—and with Brian Monteith in particular—we should believe not what they say, but what they do. They cut student support year in, year out; we know that they would do it again. Brian Monteith criticised the Executive for pointing individuals in the direction of their bank or building society, but it is the Conservatives who want to move to a system based entirely on commercial debt and commercial-rate loans for student support. Furthermore, in England, the Conservatives still support the idea of student tuition fees. Brian Monteith will live to regret his remark that students use their loans to buy cars.

The NUS supports the graduate endowment

scheme. It not only supports the scheme in principle, but is campaigning for it throughout the UK. I remind members that it was Andrew Cubie and his committee who introduced the concept of the graduate endowment in Scotland. Paragraph 47 of the committee's report reads:

"We have therefore developed a model of a graduate contribution which is neither a graduate tax nor a payment of tuition fees. We are proposing a Scottish Graduate Endowment".

Alex Neil, quite reasonably, is opposed in principle to that graduate endowment, but Cubie is not, universities and colleges throughout Scotland are not, the NUS in Scotland is not, and the NUS throughout the UK is not—indeed, it is campaigning for it.

Alex Neil also mentioned the threshold, which is an important issue. However, I underline the fact that, because of the £10,000 repayment limit, no student in Scotland will have a higher monthly repayment than under the current system of loans. I also remind members that students will continue to have loans under the scheme that is being suggested not only by us, but by the SNP.

Mr Monteith: We know that payments are not to be higher, but does the minister concede that the repayment period for the debt is to be longer?

Nicol Stephen: No, I certainly would not concede that point. Brian Monteith forgets that, unlike his party, the Executive has given a debt guarantee, which is that—in comparison with the current system—no student in Scotland will have additional debt.

George Lyon pulled us back to a very important issue when he said that no witnesses to the Enterprise and Lifelong Learning Committee gave evidence against the principle of the graduate endowment. David McLetchie said some hard things about the graduate endowment and the use of the word "endowment". Perhaps he should direct his criticisms at Mr Cubie and the committee that introduced the concept.

I have more to say about David McLetchie's remarks, as his speech developed into quite a complex legal discussion. My response to what he said is simple. If what we are proposing is a tax, fees have gone; if it is a fee, his argument that the graduate endowment is a tax is blown out of the water. Members can take their pick: Annabel Goldie says that it is a fee, David McLetchie calls it a tax and—by the way—down in London, the Conservatives still want to keep the fee.

Mr Hamilton rose—

Nicol Stephen: No, I will not give way.

The bill is competent. It has been scrutinised by lawyers with far more experience in such matters than me or—dare I say it—David McLetchie.

David McLetchie: That is certainly true of the minister. To settle the matter, will he invite his friend the Advocate General to justify her highly paid existence in her few remaining months in office and to come before the Enterprise and Lifelong Learning Committee to explain why she considers the graduate endowment to be within the legislative competence of the Parliament and not to be a tax under schedule 5 to the Scotland Act 1998?

Nicol Stephen: No, I will not.

Mike Russell said a great deal about Wendy Alexander, who is sitting to my right, and about Alasdair Morrison and his various languages. However, when he eventually got to his one substantive point—it would be hard to guess when in his speech that happened, but I think that it was somewhere near the end—he talked about student debt. In that regard, I will underscore a point that I made to the Enterprise and Lifelong Learning Committee: the bill will ensure that 99 per cent of young Scottish students will have less debt. Robin Harper asked about equity; to him I say that that promise of less debt helps to make the bill equitable. Those students will pay back no more per month than they would if they had a student loan. The bill represents a practical way in which to improve the support package for Scottish students.

This year already, there is a 9.9 per cent increase in the number of Scottish students who have been accepted to attend Scotland's universities and colleges. We have to build on that constructive start and on the abolition of tuition fees. We have bursary proposals for up to £2,000 a year for 27,000 students. The SNP's manifesto had proposals for up to £500 a year for 20,000 students. We have extra funding for mature students of £10 million over and above the student loans to which they will continue to be entitled at the full rate. We have the guarantee of the same or less debt, which will apply to 99 per cent of young students in Scotland. The Conservatives want total debt at full commercial rates for all our students. The graduate endowment, as proposed by the Cubie committee, has been accepted by everyone who gave evidence to the Enterprise and Lifelong Learning Committee.

The threshold is vital. I have made my views clear today: we will come back to the issue. I agree that change is important and stress that we intend to do something about it. I ask for members' support in this stage 1 debate.

The Deputy Presiding Officer: That concludes the debate on the Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill.

Michael Russell: On a point of order, Presiding

Officer. I seek your guidance. There will be many questions about the bill and the policies that the Government is pursuing as the bill goes through the Parliament. The minister responsible for enterprise and lifelong learning is Wendy Alexander, who showed contempt for the Parliament by arriving at only 4.20 pm. To whom are the questions to be addressed: to Mr Stephen, who works in a different department, or to the Minister for Enterprise and Lifelong Learning?

Mr McNeil: Further to that point of order, Presiding Officer. Will you take note that Mr Russell uses that tactic to get extra time on too many occasions?

The Deputy Presiding Officer: It is entirely a matter for the Executive which minister it fields on any specific subject.

Outworking Bill

The Deputy Presiding Officer (Mr George Reid): The next item is a debate on motion S1M-1596, in the name of Mr Alasdair Morrison, on the Outworking Bill, which is UK legislation, and on an amendment to that motion.

16:30

The Deputy Minister for Enterprise and Lifelong Learning and Gaelic (Mr Alasdair Morrison): The most vulnerable people in our society are often the target of unscrupulous people who cynically try to exploit them. One example is the use of bogus home-working schemes, aimed at people who are unable to work outside the home, including pensioners, carers, the disabled, lone parents and people with learning difficulties or poor communication skills.

Genuine home-working opportunities can offer employees and employers greater choice and flexibility, particularly if a home worker is able to work flexible hours. Home working can open the labour market to individuals, including the disabled, for whom other types of employment are difficult or incompatible with their circumstances. It is estimated there were almost 38,000 home workers in Scotland last year.

Scams are different. They often start with an advert in a newspaper or shop window, or on a lamp post. They hold out an opportunity for lucrative work that simply does not exist. The scams take many forms: they may demand advance payment, with promises of work that never materialises, or payment for home assembly kits with which work is done but never rewarded. Others turn out to be scams for recruiting other people to do the same.

The people who run these schemes have been getting away with it for far too long. They are cynically exploiting those who are least able to defend themselves. At any time, about 300 scams are known to be in operation in various parts of the United Kingdom. Every year, thousands of people are victims of such scams. Without action, the number of victims will increase.

It is time that these swindlers were stopped—and that is exactly what the Outworking Bill aims to do. Since the 1999 consumer white paper was published, there has been a commitment to tackle bogus outworking schemes—a commitment that I hope is shared by all members. As Minister for Enterprise and Lifelong Learning, Henry McLeish gave the Executive's endorsement to the broad sweep of consumer protection proposals that were set out in that white paper, including proposals to tackle home-working scams. The fact that those

proposals will now be implemented by means of a private member's bill at Westminster in no way detracts from the merits of the bill, which has been given the full support of the United Kingdom Government.

Those members of the public who have been stung in the past by such scams will be all too glad to see them brought to an end by this route, which is the quickest route. Although outworking is a devolved matter, it is vital that we prevent Scotland from becoming a haven for unscrupulous practices that will affect many of our constituents. The protection that will be provided by the bill should therefore be extended to Scotland. Uniform protection will then be available in all parts of the United Kingdom. Leaving a loophole in Scotland whereby the exploitation of vulnerable and needy people could continue is both unwanted and unnecessary.

As the memorandum explains, the bill will tackle scams by outlawing advance payments and the advertising of bogus schemes. Trading standards officials will be able to intervene as soon as they are aware of a scam. The bill has been drafted to avoid penalising genuine home-working schemes or legitimate business practices such as franchises, direct selling or employment agencies.

I ask the Parliament to support the Executive's motion. I expect that all right-thinking members hope and appreciate that it makes sense to work in co-operation with other parts of the United Kingdom to provide a uniform level of protection for the British public. Our overriding concern is to introduce an effective ban on bogus outworking schemes quickly. The bill offers an effective way of protecting the vulnerable members of our society.

I move,

That the Parliament endorses the principle of tackling bogus outworking schemes by controlling the seeking or receipt of advance payments for the provision of work or of information about work opportunities as set out in the Outworking Bill and agrees that the relevant provisions to achieve this end in the Bill should be considered by the UK Parliament.

16:34

Tricia Marwick (Mid Scotland and Fife) (SNP): At the outset, I wish to make it clear that the SNP has no objections to the aims of the bill. Protecting the public against the cheats and fraudsters whose business is to con money from would-be workers, many of whom can ill afford to lose any money, is an objective with which we can all agree.

It is a matter of regret that, under the terms of the Executive's motion, the Parliament will be deprived of the opportunity to discuss how to tackle the issues raised in the bill. Members will be

unable to scrutinise the bill and we will be unable to propose or discuss amendments. In short, we will be unable to tailor the bill to fit Scottish needs or to consider whether any extensions to it are required.

There is a more fundamental issue for the Parliament: whether a Westminster MP should legislate for Scotland on wholly devolved matters by means of a private member's bill. The Outworking Bill was introduced by the member for Birmingham Northfield.

I quite understand that the UK Government wishes to legislate for Scotland on devolved matters when a wider UK bill is under consideration. However, a private member's bill, by its nature, is neither Government legislation nor a Government priority. Notwithstanding the long-standing commitment that the minister claimed the Government has had on outworking, the Government has not introduced a bill on the issue.

Private members' bills and their implications for devolution have been examined previously. Margaret Beckett, the Leader of the House of Commons, made that clear in a memorandum to the Procedure Committee of the House of Commons, in which she said:

"The Government is likely to oppose any private Member's bill which seeks to alter the law on devolved subjects in Scotland or Northern Ireland."

When the late Donald Dewar addressed this chamber on 9 June 1999, he was of the same mind. He said that

"the Scottish Executive expects that the UK Government will oppose any private member's bill that seeks to alter the law on devolved subjects unless it is clear that the proposal has the support of the relevant devolved body."—[*Official Report*, 9 June 1999, Vol 1, c 358.]

Given the views expressed by Donald Dewar, the chamber should expect two things: the UK Government should not support the bill and the Parliament should oppose it today. Support from the devolved body should be informed, rather than based on a half-hour debate. The UK Government has not yet expressed a view on the bill, as the bill's second reading does not take place until 12 February.

We must ask the minister why the Scottish Executive is in such a hurry to transfer its responsibilities over devolved matters by means of a private member's bill promoted by a back-bench MP who represents an English constituency. Why is the Executive seeking this Parliament's consent? Has the Scottish Executive discussed the bill with Westminster colleagues? Does the Executive no longer expect such private members' bills to be opposed by the UK Government? Why have not representations on behalf of this Parliament been made before now?

Those are serious and important issues for the Parliament. The Outworking Bill is the first private member's bill that has been the subject of a Sewel motion and I do not believe that we should even be considering it today—the convention that has been agreed should be adhered to.

I notice that the Presiding Officer wants me to wind up, so I will do so. I ask the Executive to reconsider its position on the bill, even at this stage, and to support the amendment in my name.

I move amendment S1M-1596.1, to leave out from "as set out" to end and insert:

"and therefore calls upon the Scottish Executive to bring forward legislation in Scotland to achieve these aims of the UK Outworking Bill."

16:38

Miss Annabel Goldie (West of Scotland) (Con): My contribution to the debate will be fairly brief. The Conservative party welcomes the minister's motion for two reasons. Outworking is a matter of concern throughout the United Kingdom and, if a bill has already been introduced in Westminster, it seems eminently sensible to allow Westminster to proceed with it. That would avoid duplication of parliamentary activity by this chamber—I believe that all members welcome the bill—and, I hope, the disadvantage of cross-border disparities arising if separate legislation were to be considered by the Scottish Parliament.

However, one or two technical issues arise that merit consideration. First, the practices that the bill strikes at, while nefarious and profoundly undesirable, may to some extent already be covered by criminal law in Scotland. That significant aspect should be borne in mind. Secondly, I hope that the bill will be scrutinised by the Scottish Executive justice department so that technical input can be made to Westminster. That is competent and perfectly possible, so I disagree with Ms Marwick on that point.

There are instances of genuine commercial activity in which one individual negotiates with another for the provision of goods or services and in which the pre-payment of some initial deposit is involved. It is important that the Westminster bill should attempt to distinguish between the sort of activity that this chamber would—unanimously, I am sure—condemn as unacceptable and the genuine individual commercial activity that can legitimately take place between individuals. It would not be desirable if the bill struck at that kind of legitimate activity.

16:40

Nora Radcliffe (Gordon) (LD): People work from home for various reasons. Many people who

see home working as an option that suits their circumstances are cut off, for one reason or another, from other employment opportunities. That makes them sitting ducks for unscrupulous operators who can, at present, employ dubious practices that are not, strictly speaking, illegal. Care must be taken to ensure that opportunities offered by genuine and reputable companies for people to work from home remain. However, legislation to protect people from bogus schemes is welcome and overdue.

If such legislation is under way at Westminster—whoever is promoting it—and if that legislation will extend protection UK-wide, I can see no good reason to duplicate that legislative effort in this Parliament. Miss Goldie made some pertinent points about ensuring that Westminster legislation correlates with Scottish legislation, but the sensible and pragmatic way forward is to agree that the Sewel motion be passed and that the work be done at Westminster, tailored to our circumstances if necessary. The sooner that is done, the better. If this is the best and quickest way forward, we should take it.

16:42

Mr Duncan McNeil (Greenock and Inverclyde (Lab)): As a former official with the GMB—which is the union for Scotland's estimated 38,000 home workers—I take a keen interest in measures to protect that vulnerable section of the work force. Those workers carry out a massive range of tasks, from envelope addressing to assembly work. Most of them are women—often black ethnic minority women—in their 20s or 30s with dependent children.

I could recount at length the issues that home working raises for trade unionists. Only 9 per cent of home workers have a written contract; only a quarter get information about their tax or national insurance; and only a third receive an itemised pay slip. Many have no guarantee of minimum hours of work, and there are problems around maternity leave and sick pay, for example.

Although I recognise the many problems in that sector, and although I will continue to campaign for home workers' rights, we are, as the minister said, talking about people who are exploited far more than genuine home workers are; we are talking about the victims of the outworking scams. That is not legitimate home working; it is exploitation and, thanks to this bill, it will soon become criminal.

We all know how the scams work. Companies offer non-existent work—for example, kits that people make up but that are continually rejected because the company says that they are substandard, leaving the home workers out of

pocket. The bill will make it illegal for companies to demand upfront payments or to advertise bogus schemes; it will crack down on the unprincipled parasites that run those operations.

However, do our colleagues and friends on the SNP benches care about that?

Michael Russell (South of Scotland) (SNP): Yes!

Mr McNeil: No—no they do not. That is the difference between us. Never mind that we will be protecting some of the most vulnerable people in Scotland; never mind that we will be clamping down on unscrupulous con artists who cynically prey on people in desperate circumstances; the SNP says, "No, let's have"—

Michael Russell: Will the member give way?

Mr McNeil: Would Mr Russell sit down? We have heard enough of him today.

Michael Russell: Yes is the answer.

Mr McNeil: No. The SNP says, "No—let's have a constitutional debate. Let's all sit down and have a chat about the schedules to the Scotland Act, private members' bills and Sewel motions." That might be more important to the SNP, but it is not more important to me and it is not important at all to the people whom the bill will protect. The nationalists want to leave 38,000 vulnerable workers twisting in the wind while they carry on with their self-indulgent constitutional pontificating.

Such a level of debate does not befit this chamber. I do not care who introduces the bill and nor do the people whom it will protect. Only the SNP members care about that—and it is all that they care about. I urge SNP members to think about what the bill will do, to grow up and to support the motion.

16:45

Mr Duncan Hamilton (Highlands and Islands) (SNP): That was a truly pathetic speech, because in this short debate the SNP has not in any way disputed the value or aims of the bill. We support the principle. Of course we support what is set out in the memorandum of the bill, which says that

"it will be unlawful to ask for or receive a payment in advance",

that

"no payment can be taken from the worker"

and that

"it will be unlawful to advertise bogus schemes".

Of course we agree with that; nobody has at any point suggested otherwise.

However, our focused objection has two points.

The bill laudably aims

“to tackle bogus outworking schemes but will not affect genuine homeworking jobs”.

What we want—it is why this Parliament exists—is to bring scrutiny to bear on that aim to see whether it will be achieved in Scotland by the bill or whether there may be other aspects to consider.

The argument put by Annabel Goldie and our friends the Liberal Democrats does not stack up. Tricia Marwick said that there may be distinctively Scottish aspects to the problem that should be looked at. That is not the daft constitutional point that Duncan McNeil seems to think it is. It is possible that Scotland’s demography is different or that there is a different employment profile here. To take Annabel Goldie’s example, given that there is a different legal system, is it not possible that distinctive aspects of that system may need to be looked at?

If that is the case and if—even in this tiny, truncated debate—we have already identified a range of areas where there may be distinct Scottish problems, why should the Scottish Parliament, which exists to improve the scrutiny of legislation, not do just that?

Quoting Margaret Beckett and Donald Dewar makes the point that the issue has been specifically addressed. On 9 June 1999, Donald Dewar said in this Parliament:

“In addition, the Scottish Executive expects that the UK Government will oppose any private member’s bill that seeks to alter the law on devolved subjects unless it is clear that the proposal has the support of the relevant devolved body. That is also the position of the UK Government.”— [Official Report, 9 June 1999; Vol 1, c 358.]

It is impossible to know before coming to Parliament whether the relevant body agrees because the Parliament is the relevant body. It was clearly stated that the UK Government and the Scottish Executive would not push through a private member’s bill until it was known whether the relevant body agreed. If it was right then, what has changed? Why is it wrong now? What is the rationale for accepting such a bill now when previously it was not acceptable? If nothing has changed, does Labour no longer agree that democratic scrutiny—to provide, in Labour’s soundbite,

“Scottish solutions to Scottish problems”—

is central to the Parliament’s purpose?

If we want more than a quick headline, we should not pass the devolved responsibilities of this Parliament to another institution, let alone to a back bencher in another institution. That is an abdication of our responsibility. We owe it to the people who put us here to do the job that we are

paid to do.

16:49

Helen Eadie (Dunfermline East) (Lab): I support what Duncan McNeil said. I am glad that a Labour member from Birmingham is promoting this private member’s bill. Like Duncan McNeil, I was a GMB union official, but in the southern region where I lived and worked for 17 years before coming back to Scotland. I was the chairperson of the national home working campaign and we lamented the fact that for around half a century there had been no legislation to protect home workers. I vividly remember meeting many home workers from Cornwall, Devon, Hampshire and London—people making shoes and cushions at home and even people undertaking Government work, through a contractor, who were being paid a pitiful amount for dealing with tax returns.

Rather than navel-gazing, which is what Duncan Hamilton is engaged in, we should be standing in solidarity with our comrades down south on an issue that is important to people throughout Scotland. We are talking about issues of poverty that really hit home to the people who are most vulnerable in our society: mothers who cannot go out to work and young people who cannot get jobs through the regular processes. We need to celebrate the fact that the legislation, which is needed, is being introduced. All strength to the elbow of the people who are putting the bill forward.

I can remember being one of those young people myself, reading the *Exchange & Mart*, being desperate for money, and thinking, “How can I earn myself some money?” I answered an advertisement in *Exchange & Mart*, paid money up front and got back cushion covers, but received no money for the work that I did.

Let us support our colleagues and everything that is being done in the south. More needs to be done. A vast amount of employment protection legislation needs to be introduced to strengthen the position of people who work at home. It is not bad to work at home—there are many good things that people can do when they are working at home. We should not engage in constitutional wrangling. Let us fix the problem. Let us focus on the issues and work well for the people who matter: those people who work in their homes and who need our help.

16:51

Tricia Marwick: I will respond first to Helen Eadie.

Michael Russell: There is no point.

Tricia Marwick: My colleague says that there is no point in doing that, but I will. Helen Eadie made an impassioned plea on behalf of people who have been cheated by fraudsters. It is right and proper that such matters should be addressed. However, if she is so passionate about the issue, why does she not think that she should carry out her job in this Parliament by making legislation for the benefit of the very people whom she purports to represent?

Annabel Goldie raised an important issue. We are dealing with a private member's bill that could inadvertently change criminal law in Scotland, and we are being asked to do so on the basis of a two-page memorandum and a bill that refers to no Scottish legislation. We do not know the impact of the bill on Scottish legislation. I urge the Executive to consider closely the implications of what it is asking the Parliament to do. We need far more scrutiny of the bill and I urge members to support my amendment so that we can give the issue the scrutiny that it deserves.

The memorandum does not say exactly what the bill covers. Duncan Hamilton made some important points. There are issues that the minister must address in summing up. He must tell us what discussion there has been with his Westminster colleagues. He must also tell us whether there has been discussion with the member who introduced the bill. He must explain the meaning of this statement by Margaret Beckett:

"The Government is likely to oppose any private Member's bill which seeks to alter the law on devolved subjects in Scotland or Northern Ireland. It will remain a question of judgment for individual Members"—

that is, back-bench Westminster MPs—

"whether to introduce legislation on an issue which Parliament has already decided should be devolved, unless it is clear that the proposal has the support of the devolved body concerned."

That is the important issue. It is about the Westminster MP finding out, before he introduces a bill, whether it is clear that the Scottish Parliament will support it.

We were not asked for our views prior to the introduction of the bill. The first reading has already taken place and the second reading is scheduled for 12 February. It is vital that such issues are addressed. That does not take away from the fundamental issues in the bill. We can do both: we can consider the way in which the issue affects people in Scotland and debate a similar Scottish bill. If, as the minister suggested, the matter is such a priority, there is no reason on earth why the Executive cannot introduce similar legislation. I urge the minister to answer the questions and to reconsider the Executive's whole position on the matter.

16:55

Mr Morrison: I welcome the majority of the views that have been expressed today. I will begin with Annabel Goldie's dignified and appropriate remarks, which highlighted several relevant issues. Miss Goldie, rightly, highlighted the potential cross-border disparity that would arise unless the chamber supports the Executive motion. Miss Goldie raised several issues about Executive officials and their relationship with officials at Whitehall. I assure her that the officials are in regular contact on matters that could impact Scots law and any differences that may arise. Nora Radcliffe questioned the impact of the bill on legitimate home working. The bill will not impact the genuine employer, who has nothing to fear.

The Scottish National Party has claimed to support the bill. However, the fact that the SNP lodged its tawdry amendment borders on the pathetic. In her opening three-minute speech, Trish Marwick spent more time dealing with constitutional minutiae than with the bill that will make Scotland a no-go area for the unscrupulous who seek to exploit the vulnerable.

Mr Hamilton: Will the minister give way?

Mr Morrison: I do not have enough time—I have only three minutes to deal with the SNP and its irrelevancies. In the three minutes of Trish Marwick's opening speech she proved one thing: she is completely off her constitutional trolley.

The fact that the bill has been introduced at Westminster does not detract from its merits and is not a valid reason for excluding Scotland from its scope. I know that the nationalists have difficulty digesting that, so I will say it again: the fact that the bill has been introduced at Westminster is not a valid reason for excluding Scotland from its scope. Every MP, including those who represent Scottish constituencies, has the opportunity to consider the bill. That includes the member for Banff and Buchan, but judging by yesterday's performance and the mauling that he received from the Secretary of State for Scotland, I doubt whether Mr Salmond will appear at Westminster for many weeks.

The nationalist amendment would mean abandoning other Scottish priorities to make time to produce separate legislation in Scotland. In effect, the nationalist amendment would allow the UK Parliament to dictate the Scottish Parliament's legislative programme.

Now that I have dealt with the irrelevancies, I will turn to the issue at hand. It is worth reminding members that, at any one time, about 300 scams are operating in the United Kingdom. Such scams can secure thousands of pounds for the operators and bring misery to the victims who have parted with much-needed cash. It is essential that the

Parliament gives a clear message that the con artists who operate those scams will not be tolerated in Scotland. There is widespread support from business and consumer groups for the measures contained in the bill to stop that malpractice. The provisions will ensure that the seeking of advance payments and the advertising of bogus schemes can be stamped out through the introduction of criminal offences. That will give trading standards officers the powers that they require to deal effectively with the scams that we know are going on.

It is essential that the measures provide uniform protection across the United Kingdom. We cannot allow Scottish consumers to have less protection than their counterparts elsewhere. If we do not allow the Outworking Bill to be extended to Scotland, this country will become a haven for such scams. That would be a wholly unacceptable situation. I ask the Parliament to support the Executive's motion.

Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill: Financial Resolution

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Education (Graduate Endowment and Student Support) (Scotland) (No.2) Bill, agrees to—

(a) the following expenditure payable out of the Scottish Consolidated Fund—(i) the expenses of the Scottish Ministers in consequence of the Act; and (ii) any increase attributable to the Act in the sums payable out of the Fund under or by virtue of any other enactment; and

(b) any payments made to the Scottish Ministers under the Act.—[*Angus MacKay.*]

Decision Time

17:00

The Presiding Officer (Sir David Steel): There are four questions to be put as a result of today's business. The first question is, that motion S1M-1525, in the name of Wendy Alexander, on the general principles of the Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill, 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)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
 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)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 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)
 McConnell, Mr Jack (Motherwell and Wishaw) (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)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)

Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 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)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 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)
 Johnstone, Alex (North-East Scotland) (Con)
 McGregor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Tosh, Mr Murray (South of Scotland) (Con)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of 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)
 Russell, Michael (South of Scotland) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 62, Against 15, Abstentions 27.

Motion agreed to.

That the Parliament agrees to the general principles of the Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill.

The Presiding Officer: The second question is, that amendment S1M-1596.1, in the name of Tricia Marwick, which seeks to amend motion

S1M-1596, in the name of Alasdair Morrison, on the UK Outworking Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (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)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of 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)
 Russell, Michael (South of Scotland) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 White, Ms Sandra (Glasgow) (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)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Canavan, Dennis (Falkirk West)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
 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)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (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)
 Johnstone, Alex (North-East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (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)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 McMahan, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Sheridan, Tommy (Glasgow) (SSP)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 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 26, Against 79, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The third question is, that motion S1M-1596, in the name of Alasdair Morrison, on the UK Outworking Bill, be agreed to. Are we 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)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)

Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
 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)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (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)
 Johnstone, Alex (North-East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (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)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McLetchie, David (Lothians) (Con)
 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)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 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, Ben (North-East 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)

ABSTENTIONS

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (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)
 Hamilton, Mr Duncan (Highlands and Islands) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of 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)
 Reid, Mr George (Mid Scotland and Fife) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 81, Against 0, Abstentions 27.

Motion agreed to.

That the Parliament endorses the principle of tackling bogus outworking schemes by controlling the seeking or receipt of advance payments for the provision of work or of information about work opportunities as set out in the Outworking Bill and agrees that the relevant provisions to achieve this end in the Bill should be considered by the UK Parliament.

The Presiding Officer: The final question is, that motion S1M-1580, in the name of Angus MacKay, on the financial resolution on the Education (Graduate Endowment and Student Support) (Scotland) (No 2) Bill, be agreed to.

Motion agreed to.

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Education (Graduate Endowment and Student Support) (Scotland) (No.2) Bill, agrees to—

(a) the following expenditure payable out of the Scottish Consolidated Fund—(i) the expenses of the Scottish Ministers in consequence of the Act; and (ii) any increase attributable to the Act in the sums payable out of the Fund under or by virtue of any other enactment; and

(b) any payments made to the Scottish Ministers under the Act.

Borders Textiles Industry

The Presiding Officer (Sir David Steel): We come now to the final item of business, which is the members' business debate on motion S1M-1579, in the name of Ian Jenkins, on the Borders textiles industry. I invite those who wish to take part in this debate to press their request-to-speak buttons now so that I can see how many would like to contribute. I ask those who are not staying for the members' debate to leave quietly, please.

Motion debated,

That the Parliament notes with regret the loss of jobs in the textiles industry at the Murray Allan mill in Innerleithen; supports the efforts of local agencies working together to assist employees who have lost their jobs, and urges the Scottish Executive to report on progress to deliver aid to the sector and to resolve the threat posed to the industry by the ongoing trade dispute between Europe and the USA so that textiles manufacturing can look forward to a permanent place in the Borders economy.

17:04

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): I am pleased to have secured this debate this evening, although I am sad that it has been occasioned by bad news in my constituency. I am grateful to members who have stayed for the debate. I know that members from all parties will recognise and understand the resentment and dismay that is felt by the Murray Allan of Innerleithen Ltd work force at the sudden realisation that in spite of consistently producing some of the highest-quality cashmere garments in the world, 43 of their number are to lose their jobs in Innerleithen. A limited number will have a chance to transfer to work in Hawick, more than 20 miles away.

When I spoke to members of the work force recently, their distress was clear. Those men and women took pride in their work and had a sense of loyalty to that local firm, for which some had worked for almost 30 years. Euan Robson and I, together with our Westminster colleague Michael Moore, secured a meeting with the management. The need for redundancies and restructuring was attributed to difficult trading conditions and earlier weaknesses in management, and the work force itself was not criticised.

However, in such sad circumstances, the situation could and would have been handled better if workers' representatives had been more closely consulted before the redundancies were announced. As in so many such cases, the shop-floor workers were left with a bitter, empty feeling of resignation and a sense that they could not influence hugely important decisions that affected their lives.

Innerleithen is a small community with close family and community ties and a strong sense of identity that is exemplified in the strength of the local community council and the community spirit that is shown at local events such as St Ronan's games week, which is a summer festival. The local economy is heavily dependent—even overly dependent—on textiles. Further investment in and diversification of the employment base are needed. Travelling to jobs elsewhere, in places such as Hawick, also involves problems. The public transport system is limited and does not fit easily into patterns of shift work. In a low-wage economy, such travel to jobs can be prohibitively expensive.

Sadly, politicians cannot bring the jobs back. Instead, we must urgently help those who are to be made redundant and do what can be done to preserve the remaining jobs. My motion commends the work that the local agencies are doing in putting together a redundancy support team. I am happy to say that that team will have a presence in the town from tomorrow and for the rest of February. Scottish Enterprise Borders and the Scottish Borders Council, together with the Benefits Agency, the Employment Service and other agencies such as the citizens advice bureau and the Borders College, will be available to give advice on financial and housing issues, offer schemes that will help with training for employment and give opportunities to seek employment that also gives financial assistance to employers who take on workers who were made redundant.

It is important that Murray Allan co-operates fully with the redundancy support team, as I and my colleagues urged it to when we met its representatives last week. I understand that such an agreement has been reached. The support team offers a vital service to workers who have been made redundant. It is good that the various agencies have responded quickly and effectively to work together to do whatever can be done to help.

The Deputy Minister for Enterprise and Lifelong Learning and Gaelic will recall that we recently debated the employment situation in the Borders. We recognised that good things were happening in the Borders economy, but it was and remains clear that the recovery is fragile. The redundancies reinforce the message that everything that is possible must be done to bring investment to the area and to improve and diversify the skills base of the work force. We must continue to support the indigenous textile industry and remember that about 65 people in Innerleithen still work in Murray Allan.

The Borders knitwear industry is changing, modernising and restructuring. That process can

be painful. In recent years, job losses on a scale for which no one would have wished have taken place. If we are honest, we must say that other redundancies may come in time.

Nevertheless, the textile sector remains hugely important to the Borders economy. It employs almost 4,000 people and accounts for about 50 per cent of employment in the manufacturing sector of the local economy. The value of cashmere exports from the Borders has been estimated at about £100 million a year. The industry is one of high quality, considerable achievement and great potential. A brochure was produced some time ago about the range, variety, class and quality of the Scottish Borders knitwear industry, and it is an impressive document.

Cashmere from the Scottish Borders is recognised as the finest in the world. It has been and continues to be worn by the rich and famous. A cashmere sweater is one of the classic objects of desire that people aspire to own. However, the industry is not content to rest on its laurels. It is making strenuous efforts to employ and work with top designers.

Great strides have been made in promoting our high-quality knitwear throughout the world. In the past year or so, the Scottish textile forum has been formed. There is also the creation of the industry body, the Scottish Cashmere Club. During London fashion week in September, the club's "Cashmere Made in Scotland" initiative was a successful attempt to raise the profile of the industry at the highest level.

Those schemes were supported locally by Scottish Enterprise Borders, which is involved in an important scheme behind the label. It seeks to demonstrate to young people that there is an exciting and sustainable future in the textiles industry. Together with the arrival in the Borders of new opportunities in European funding, that represents the kind of initiative for which we seek further and continuing Executive support.

Nevertheless, it is widely recognised that the Scottish textiles industry is facing difficult trading conditions. The on-going trade dispute between Europe and America could lead to the erection of trade barriers against cashmere. I would be grateful if the minister would assure me that the Scottish Executive will keep in close contact with UK ministers and officials at the Department of Trade and Industry. My colleague Michael Moore has been working closely with Brian Wilson and others in recent months to ensure that European ministers and officials are made fully aware of the serious consequences for our industry if that dispute is not resolved as we would wish.

Further trading problems face the industry in relation to the multi-fibre agreement and the

changing trading relationships between the USA and China. Faced with such problems, the industry needs to know that it has the full backing and support of the Scottish Executive and the UK Government.

Mrs Margaret Ewing (Moray) (SNP): Will the member give way?

Ian Jenkins: I am nearly finished.

The motion seeks the minister's assurances that the Executive will continue to liaise with Westminster colleagues, that it will give its backing to initiatives designed to secure the industry's future and that it will help to create a climate that is favourable to investment from home and abroad.

When we talk about world trade organisations, multi-fibre agreements and international banana wars, it can be difficult to remember that they are not vague, abstract issues of macroeconomics. Decisions taken at those global levels may end up causing workers in Innerleithen and other Borders communities to be cast out of work through no fault of their own.

Mrs Ewing: Will the member give way?

Ian Jenkins: I am just winding up.

I ask for the minister's support and look forward to welcoming Ms Alexander to the Borders in February to see things for herself.

17:12

Mr Murray Tosh (South of Scotland) (Con): I should start by declaring an interest of sorts, in that my son works in the cashmere industry. If for no other reason than that, I am concerned about its future.

This is an important debate, and I congratulate Ian Jenkins not only on raising it, but on managing to cope with his pager in the middle of his speech in such a way that we hardly noticed it going off. I assume that it was some late briefing—I hope that it was good news.

To pick up Ian Jenkins's point, the textiles industry is still important for the Borders and for Scotland. I did some digging about in preparation for the debate, and the most recent figures that I could find were from 1997—not far back—when about 37,000 people in Scotland were identified as working in textiles. The biggest share—nearly 5,000—was in the Borders. It is a sign of the difficulties that we have had in recent years that, as Ian Jenkins said, the figure is now less than 4,000. In the area I represent, the South of Scotland, there were an astonishing 3,500 in East Ayrshire in textiles and the same number in South Lanarkshire. There were substantial numbers throughout Scotland—more than 1,000 in each place—in Angus, Clackmannan, Dumfries and

Galloway, Dundee, Falkirk, Fife, Glasgow, North Lanarkshire, Renfrewshire and West Lothian. This is still a significant Scottish industry.

The Borders is the flagship for the industry, but it is important for our economy as a whole. We have to take seriously the trends in the industry and try to reflect on what might be done to bolster it, to shore it up, to preserve it and, where it can be done, to expand it.

Mrs Ewing: Will Murray Tosh give way?

Mr Tosh: I realise that Mrs Ewing has been desperate to get in, so I shall certainly give way to her.

Mrs Ewing: Mr Tosh missed out Moray, which also has an important cashmere industry. I suggest that there are two aspects of the industry that could clearly be developed. One is tourism: Johnstons of Elgin attracts a lot of tourists. The other is uniforms for public sector workers: public sector organisations should be encouraged to use designers and textile makers in Scotland.

Mr Tosh: I assure the member for Moray that I would never deliberately ignore Moray. The only reason that I did not list it is that I applied a crude cut-off figure of 1,000 employees and Moray fell below it. It is absolutely true that there are textile workers in every area of Scotland and they are an important part of the economy of every area of Scotland. I accept the point that Margaret Ewing has made.

I want to pick up on some of the points that Ian Jenkins made and to make some fresh points. He said that there are still distinct skills shortages in the Borders, even in areas where there have been job losses. That must be addressed. We must accept that, as the industry changes and the volume manufacturing base diminishes, there still remain important niches, not just in tourism or in the way in which Government deliberately sources products, but in the commercial sector, in technical textiles, in designer wear, in dyeing and finishing and in branded clothing. In any capital-intensive manufacturing and in any high-value niche market, there are opportunities where there is imagination, innovation, training and support. Those are areas in which the Scottish Executive could focus its efforts to great advantage.

In the responses that I have heard, I have encountered some concerns about training and about the difficulty of training on the job. I have also heard the concern that, if a firm has to send people away for training, it might lose them. There is a need for more focused training in more localised areas in some sectors. There are also concerns about marketing. People have expressed their view that the local enterprise company system disaggregates the marketing budget and the marketing focus and that

sometimes we do not play the Scottish brand card very well. We need a more focused approach to marketing—that is something that the Executive might usefully examine.

I see no point in repeating what Ian Jenkins said about duties, but I have one comment to make on the issue. With the arrival of the new Administration in the United States, which may not have the same rapport with the current British Government as the previous Administration did, it is all the more important that the current British Government works to establish those links and tries to ensure that we use whatever political clout we have to protect our textiles industry from the threat of carousel duties.

This country accepts the United States' case. This country is a lever within the European Union for trying to resolve those matters properly and accepting the Americans' justified complaints. If there are to be retaliatory duties—which I do not favour or support, but which I understand—surely our allies across the Atlantic must be careful to apply those retaliatory duties on those people who are not willing to compromise or to find solutions.

There are many aspects to this issue. I have made some specific points that I hope the Deputy Minister for Enterprise and Lifelong Learning and Gaelic will address. We must tackle what is an important issue for the whole of Scotland, specifically for the Scottish Borders and, most particularly in the current international climate, for the cashmere industry.

17:18

Christine Grahame (South of Scotland) (SNP): As is the custom, I congratulate Ian Jenkins on securing this debate—and so soon after Euan Robson's debate on the Scottish Borders labour force. It truly pays to be a Liberal Democrat here at times. I have had only one members' business debate, and that was almost a year ago. Ian knows that I lodged an earlier motion on this topic, but I have to say that, true to form, it was couched in less comfortable terms with regard to Scottish Enterprise and the coalition. But then that is what the Opposition is for: to expose the spin and the shine and reveal what is often the very unshiny truth.

I endorse everything that Ian Jenkins said about the workers, whom I also met. It is very hard meeting people who find their lives upside down and in turmoil. They were dismayed and hurt, but they were also disgusted. Five months previously, they had applauded Columba Reid of Clan Douglas Ltd when he told them how wonderful they were. He knew even then that he would be making some of them redundant.

At First Minister's question time on 18 January,

Ian Jenkins got this response from the First Minister regarding the 40-plus Murray Allan redundancies:

"The Executive has made a commitment to use the new facilities that are available through PACE, the partnership action for continuing employment, to ensure that the skills training, specific counselling and every assistance that may be required are given."—[*Official Report*, 18 January 2001; Vol 10, c 429].

He did not use that awkward four-letter word: jobs. Counselling and retraining are not good enough.

In Euan Robson's members' business debate, he quoted the new ways strategy as follows:

"Future success depends upon the willingness and ability of people in the Scottish Borders to compete. Skills, know-how and creativity will help promote individual and business success."—[*Official Report*, 10 January 2001; Vol 10, c 53].

No doubt they will, but what about jobs rather than fine words?

Let us be clear about the prospects for the textile industry in the Borders and elsewhere. The prospect for that industry is not, as Tony Taylor of Scottish Enterprise Borders said it was on 10 January 2001, that:

"the textile industry in Scotland is in better shape than it has been for a long time".

Within days, those Innerleithen redundancies that he must have known were in the pipeline were announced.

When Clan Douglas announced just two years before that it had bought Mansfield Mills to expand, that was heralded as a job expansion and good news for the Borders economy. In reality, it was the start of redundancy notices for 40 or more Innerleithen workers. Since new Labour came to power in Scotland, 5,000 textile jobs have gone. According to the Executive's figures, between 8,000 and 9,000 are predicted to go this decade. Yet, of the £10 million UK rescue package announced in June 2000—I am glad that Wendy Alexander is here because I have not had an answer to my question about this—I understand that not a penny has been spent. I will give way to the minister if she can give me an answer.

The Minister for Enterprise and Lifelong Learning (Ms Wendy Alexander): I am happy to intervene. I spent much of the morning and some of the afternoon at the Scottish textile forum, where it was made clear that regional selective assistance awards had amounted to £300,000, that Scottish Enterprise and the Executive had made commitments of £700,000 and that we had contributed in excess of £2 million in Scotland to initiatives comparable to the Department of Trade and Industry's £10 million in England to people such as Bairdwear and Daks, where we face an unfortunate situation. In total, that comes to in excess of £3 million.

Christine Grahame: To clarify, will the minister tell me—in one word, please—the exact figure for the amount of that £10 million UK rescue package that has come to Scotland?

Ms Alexander: The member will allow me to clarify—I forgot about the £1.2 million that has come to Scotland as part of that package through the Faraday award and Heriot-Watt University.

Christine Grahame: At last I have an answer. I was expecting one, because I knew—

Ms Alexander: The answer is £1.2 million.

Christine Grahame: I have been told about the £1.2 million only now. I could not withdraw the question until I had an answer. Now that I have been told, I have an answer. I lodged that question several times. The most recent answer I got was this week, when the minister's response was "I will reply to the member as soon as possible." I am not surprised that this debate has been chosen as the moment for me at last to get the answer.

Since I lodged my question, the Scottish textile forum has met three times. I knew that it was meeting today; I expected that. The minutes of the forum include a very important point, to which the Minister for Enterprise and Lifelong Learning will perhaps be able to respond. It is still not known whether the bond scheme, which was introduced last year, could be reintroduced in the event of a cashmere crisis—a banana war, to use shorthand. I took that from the forum's minutes. I appreciate that they are truncated, but the most recent information that I have from the most recent minutes from September is that people do not know the answer.

Ms Alexander: Sadly, I cannot give an answer. I had to leave the meeting before the discussion was completed, because members from the lady's party were causing such trouble about my not being here this afternoon while I dealt with the textiles crisis.

Christine Grahame: The minister's answer to my first question was satisfactory, but that one is not. It is three months since the textile forum raised the issue and people still do not know whether the bond scheme can be operated.

Finally, I come to Helen Liddell, who made a most interesting comment in her new role as Secretary of State for Scotland. She listed, among the industries of yesteryear, the coal industry, engineering and textiles. Having placed those industries on the back burner, she trumpeted the knowledge economy as the future economy. I have knowledge, but it is of gesture politics, of which we have far too much in this chamber. Words come cheap, but it seems that real investment in jobs in the Borders is too expensive.

I am sorry to get aggressive in what is supposed

to be a cosy members' business debate, but this is far too serious. It is time that the Scottish textiles industry was given proper, serious investment so that Helen Liddell will not again stand in Westminster and consign the textiles industry to yesteryear.

17:24

Euan Robson (Roxburgh and Berwickshire)

(LD): I echo the congratulations that have been offered from the rest of the chamber to my colleague, Ian Jenkins, on obtaining this debate. I know of his commitment over many months to improving the Borders economy; it is evidenced by his patient and conscientious work, which is often done out of the public eye.

As I have said previously, Borders agencies work in partnership, under the new ways banner, to deliver the changes that are needed in the Borders economy. There have been major successes in recent months. The important problem that we needed to address in 1998 and 1999 was the broadening of the base of the Borders economy to try to ensure that different types of jobs were available and that new firms developed throughout the region.

We also needed to ensure that there was appropriate support for the electronics industry and the textiles industry, which—as Murray Tosh mentioned—is especially important in the Borders because it provides up to 4,000 jobs. A lot of effort has been put in, through direct support and marketing, to develop the premier product of the Scottish Borders, which is cashmere.

I have every confidence in Scottish Enterprise Borders; in its leadership and in the team of officials who work hard to deliver those changes in partnership with several other Borders organisations, such as the area tourist board, Borders College and Scottish Borders Council. Working together has helped us to present a united case to whatever agency of Government we need to present it to. We have had to do that in the face of the threat of the carousel tariff—the so-called banana war.

In response to Murray Tosh, efforts are being made to make contact with the new American Administration and the new United States trade representative to ensure that the case for cashmere is made clearly. It is correct, as Murray Tosh said, that the British Government is no longer standing in the way of a settlement. The Europeans must take action to deliver on a settlement that will secure the future of the industry.

I will mention Murray Allan and its sister company, Clan Douglas, in Hawick. Clan Douglas was in considerable difficulties a few years ago.

To its great credit the management there—including Columba Reid—has turned that business around from a fairly desperate position. It is now profitable and is securing a number of jobs in Hawick. Those jobs are welcome. I have to say that the investment by Toyo Boshi, the Japanese parent company, is especially welcome. Somebody ought to offer some thanks to that company for putting its money and its confidence behind Clan Douglas and Murray Allan.

There will be changes from time to time in any economy; businesses will come and go. Bad decisions will be taken and there will be poor management and better management. External events will create difficulties. There have been well known difficulties at Murray Allan and it is especially regrettable that jobs will be lost there. Some jobs will be available in Hawick and perhaps in years to come the finishing department, which will remain at Innerleithen, will grow so that there will be an opportunity for finishing and design to expand in the way that one hopes for.

The Executive can help in some important ways. As I said in a debate a fortnight ago, we have the curiosity of some forthcoming skills shortages. I went into considerable detail about that and was grateful to ministers for listening carefully and taking up several of the points that were made.

The Executive can assist with training and with regional selective assistance support. I ask the minister to examine carefully all the possibilities on that. It is especially important to retain a critical mass for the textiles industry in the Borders, so that there is a reservoir of talent and experience there and so that we can ensure, through training, that that continues in the years to come.

There will be times in the Borders economy—indeed, in any economy—when trading conditions will mean that companies will come and companies will go. Although I am sure that more companies will succeed in the Borders, some will not do so well and jobs will be shed from time to time. However, it is incumbent on Government to ensure the best possible atmosphere and trading conditions.

I must conclude on a slightly sour note. It is not helpful for members who have an interest in the south of Scotland and the Borders to undermine the local community's confidence in organisations. For example, the member who lodged the member's business motion that was not chosen today mentioned a closure at Murray Allan. There was no such closure.

Christine Grahame rose—

Euan Robson: Indeed, in press releases, she talked about cushy deals. Anyone who is aware of the situation will know that that the reverse was the case. Furthermore, it is unhelpful to suggest

that foreign investors who bring their capital, time and effort are not welcome.

Christine Grahame *rose*—

Euan Robson: There is no point in members undermining local confidence in the way that it has been undermined in the past few weeks.

Christine Grahame: Will the member give way?

The Presiding Officer: The member is obviously not giving way.

17:31

David Mundell (South of Scotland) (Con): I intend to speak relatively briefly. I congratulate Ian Jenkins on securing the debate for two reasons. First, it is important to reinforce the fact that relatively small headline numbers of redundancies—50 or 60 people being laid off in a community in rural Scotland—can be as significant as thousands of jobs being lost in urban areas. We must treat such job losses with the same seriousness as we treat national headline-grabbing job losses, such as those at the Vauxhall plant south of the border.

Secondly, we must have a debate about the textiles industry which, as my colleague Murray Tosh pointed out, is important throughout Scotland, not only in the Borders. For too long, there has been the perception that support for the industry has meant gradually closing it down. That is not the case; throughout Scotland, many bright and innovative things are being done. In the Borders, Dumfries and Galloway and other places, people have started to address issues such as niche markets and have tried to change some traditional practices. For example, people used to think that it was enough to produce a high-quality garment. However, in the modern world, that is not enough; the garment must be something that the customer wants, and we must accept that the customer now has different desires.

I was impressed by Reid and Taylor in Langholm, which is well known for producing traditional yarns and some of the best suit material in Scotland. However, that company is now using non-traditional materials and is even looking into producing clothes that contain holographic images. Perhaps Ms Alexander might consider the hologram suit for team McLeish; it might be slightly less expensive than the hologram building.

Reid and Taylor embodies the general concept of an innovative and different company that has found its market; indeed, that company has found markets in the highest fashion houses in Italy. That can only be commended. However, we should also commend Dumfries and Galloway Council, which has recently invested substantially in Langholm Dyeing, the only dyeing facility in

Scotland. That was not a fashionable thing to do. To follow Christine Grahame's point, the facility did not represent the new economy. Dyeing is one of the most basic skills that is required by the textiles industry. However, that council had the courage to make that investment. The minister should send out the message to Scottish Enterprise and the various other bodies that it is pleased that they are investing in textiles and our traditional industries as well as in the important new economy.

The textiles industry is important and it has a future—it is not on the way out. There are important niche markets, and throughout Scotland we can make the industry a real success story.

17:35

The Deputy Minister for Enterprise and Lifelong Learning and Gaelic (Mr Alasdair Morrison): I thank Ian Jenkins for securing this debate on the efforts to retain textiles manufacturing in the Borders. It is clear that other members also care deeply about this topic and it goes without saying that the Executive is deeply committed to the industry. I tender apologies on behalf of my colleague Wendy Alexander, who had to leave the debate to attend a meeting of the Scottish Parliament cross-party group on oil and gas. In the seven minutes that I am allowed, I shall try to address the issues that have been raised.

On trade barriers, I assure Mr Jenkins that I am aware of the co-operation that existed between Michael Moore MP and the former Minister of State for the Scotland Office, Brian Wilson. I assure him further that that co-operation on trade barriers will continue with the new Minister of State for the Scotland Office, Mr George Foulkes. When I meet Mr Foulkes on Monday morning, the textiles industry will be one of the issues that we will discuss.

Mrs Ewing raised two interesting points, the first of which I whole-heartedly agree with—the importance of tourism and the important part in that industry that the textiles industry can play. Her point about public sector workers being encouraged to use fabric that is designed and produced in Scotland is interesting and may be considered in another context.

I say to Christine Grahame that this is the first time that I have heard a minister criticised for being present at a debate and giving full answers to the questions that have been raised.

The trigger for this debate was the developments at Murray Allan. Like other members, I very much regret the fact that the company has had to announce that there will be job losses. I understand that the company believes that restructuring was necessary to create a more efficient organisation. Its intention is for that

restructuring to ensure that the company is better equipped to serve its customers worldwide and to safeguard the remaining jobs in the Borders. As one would expect, Scottish Enterprise Borders is holding regular meetings with the company to offer support to protect the remaining jobs.

More important, those who are likely to be affected by redundancy will be given full support. A local response team, involving relevant public agencies, has been established to help all those who are affected to find new jobs. The team will operate in accordance with the principles of the Scottish Executive's partnership for continuing employment initiative. I understand that the company has pledged to co-operate fully with the PACE team, which will be present in Innerleithen from tomorrow to offer advice and assistance to those who are affected.

The new ways strategy is an excellent example of partnership working and has ensured that a comprehensive range of economic development support is in place for the area—from support for companies' property expansion to the establishment a local labour market intelligence unit.

We recognise that the textiles sector is important and that it is under severe global competitive pressure. Henry McLeish established the Scottish textile forum in June to consider ways of improving public support to the sector. The forum is helping to prioritise support for the industry in consultation with the unions, industry, business organisations and agencies. Earlier today, Wendy Alexander chaired the third meeting of the forum, at which an outline three-year action plan for the sector was agreed. A Scottish textiles website has also been launched today, which will give unparalleled access to what Scottish companies can offer and will provide companies with valuable information on fashion trends. I have a spare copy of the document, which I would be happy to give to Mr Jenkins or other interested members.

Mr Tosh raised a number of points, which I will endeavour to respond to. Scottish Enterprise Borders is now co-ordinating all like activity. At today's textile forum meeting, it was agreed that marketing and brand issues would be a priority for year one of the action plan. I hope that that reassures Mr Tosh. We have also agreed to hold a major seminar on Scottish textiles in late spring, to explore how Scottish textiles companies can better tap in to available public support.

Textiles companies are, however, already benefiting from that support. Wendy Alexander helpfully intervened on Mrs Grahame to highlight exactly where that money is being targeted and who is benefiting. Time does not permit me to cover all the examples, but I will mention a couple. Heriot-Watt University has recently been given a

£1.2 million Faraday award to further its excellent work on technical textiles. Although that is a UK project, it is being led by Heriot-Watt University from its Galashiels campus, and so the Borders can expect to benefit handsomely from it. My colleague Wendy Alexander will formally launch the project in Galashiels on 14 February and will hear of the developments in the Borders.

Christine Grahame: Will the minister take an intervention on another point?

Mr Morrison: I do not have time to deal with another point. I must make progress.

Two other recent examples of funding that I would like to mention are the £449,000 over two years to support the Cashmere Club and the £10,000 to help companies to attend the London fashion week exhibition. Although large sums of money are not always involved, in many cases such support can make all the difference in achieving new orders. From those few examples, and the one cited by my departed colleague, I hope that it is clear that we are committed to supporting the textiles sector.

As was made clear in yesterday's policy statement for the enterprise networks, we recognise textiles as one of the key sectors that should benefit from continuing support from the Executive and the enterprise networks. That obviously includes doing all that we can to head off the threat to the textiles industry that is posed by the on-going trade dispute between the United States and the European Union—the so-called banana war. The Scottish Executive fully recognises the disproportionate impact that US sanctions on cashmere would have on that key Borders industry. There is a clear need to remove the uncertainty that the dispute has caused. I remind members that lobbying has taken place at most senior level. The First Minister has met some of the key players both in Brussels and in the US. He was able to raise at first hand the Executive's concerns about the damage to Scottish companies and he urged a swift end to the dispute. We will continue to press hard until the threat of damaging sanctions, which has cast a shadow over cashmere for too long, has been lifted.

I am convinced that the local agencies involved and the Executive have risen to the challenges and will continue to work together to secure a future for textiles manufacturing in the Borders and throughout Scotland.

Meeting closed at 17:43.

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