

The SNP has to commit to the Scottish pound if it reall...

Published: January 12, 2026, 11:43 pm

I made a fleeting appearance on BBC Scotland last night. I was invited to comment on the government's claim that it is only the supposedly broad shoulders of the UK that have permitted such things as the furlough scheme.

I made it clear that I disagree. In a clip of low Skype quality I made the point that if independent, with its own currency and own central bank, Scotland could have done exactly what the UK has done on furlough, if it had wanted to.

In the process of making this point it's worth noting that I not only disagreed with the government in London, but also disagreed with the preferred SNP leadership position. Indeed, in an unbroadcast part of the recording I said Nicola Sturgeon was wrong when she said yesterday that the UK's borrowing would have to be repaid by taxpayers.

That's wrong because £300 billion of the UK's expected deficit this year is QE and there is no need or obligation to repay that. Indeed, it would be folly to do so.

And it's wrong because the rest of the so-called borrowing is actually the result of people wanting to save with the government when it makes absolute sense for them to do so even if the real interest rate on their savings is negative, as it would also be in an independent Scotland. And we've never seen these balances saved with the government fall in any serious way over time, meaning it also makes no sense to start forcing their repayment now.

Nicola Sturgeon got that part of her commentary wrong in that case and I strongly suggest she needs to get it right.

But I also contradicted her line on the currency post-independence as well. The SNP hierarchy want Scotland to pursue 'sterlingisation' post independence. That would mean Scotland would use the existing pound. And this would be an outright disaster.

Scotland could not, in that case, borrow in its own currency.

It could not set its own interest rates.

It could not do quantitative easing.

It could not have done furlough then.

And its debt would be subject wholly to the whim of foreign financial markets, and you can be sure that those in London would do their best to undermine it.

Scotland would with sterlingisation not, in fact, really be independent at all. Being independent is about a country being free to make its own decisions. And with sterlingisation Scotland would not be free to do that. In fact, it might be considerably more constrained than it is now.

And the supposed objective of sterlingisation makes no sense at all either. It is claimed to be required whilst Scotland builds up its foreign exchange reserves. But you can't do that when you are already trading in a foreign currency, which the pound would then be. You can only do that by creating your own currency. And the very fact of creating that currency would, in fact, create those reserves as people bought the Scottish pound by translating existing sterling balances into Scottish pound ones, which they would voluntarily do.

There is an alternative, of course. Dr Tim Rideout had a resolution passed by SNP conference last year to require a rapid transition to a Scottish currency post independence. His plan is appropriate, and justified. That's why the SNP membership took note of it and passed his resolution.

If Scotland is to be truly independent it must have its own currency.

If it wants to be able to act as a strong government should Scotland must have its own currency.

And if Scotland wants to be rid of the influence of London sterling has to be consigned to Scottish history.

But most of all, Scotland has to be able to protect its own people in the future and it can only do that if it has a Scottish currency.

It is time for the SNP to believe in Scotland and its ability to govern itself. And it can only do that when the SNP declares itself in favour of the Scottish pound.

To beat the Tories and austerity this has to be done. And it's best done soon so that people get used to it.