

Scotland's economic future

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These were my speaking notes for the meeting I addressed this morning:

SNP fringe meeting: Scotland's economic future

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- * **The problem is not finding the money**
- * A government with its own currency creates money when it spends.
- * The constraint is not money but available resources.
- * Does Scotland have the people, skills, materials and capacity to deliver what it needs?
- * Government's task is to identify priorities and organise resources to meet them.
- * **The challenge is finding the projects and resources, not finding the money.**

- * **Scotland needs its own currency**
- * Independence without monetary sovereignty is incomplete independence.
- * Using sterling means remaining dependent on decisions made in London.
- * Scotland needs its own currency, central bank and payment system from day one.
- * This would give Scotland the power to pursue its own economic priorities.
- * **A Scottish currency is essential to making independence work.**

- * **Taxation and inflation**
- * Government spending creates money; taxation withdraws it.

- * Tax controls inflation, redistributes wealth, changes behaviour, reprices economic activity and gives money its value.
- * Inflation arises when demand exceeds the capacity to supply.
- * Managing inflation is an everyday responsibility, not an exceptional crisis response.
- * Taxation is a more effective and equitable instrument for managing demand than interest rates.
- * **The limit to government spending is inflation, not an arbitrary financial rule.**
- * **What Scotland should do**
- * Identify the unmet needs of Scottish society.
- * Prioritise housing, healthcare, education, social care, renewable energy and infrastructure.
- * Invest in skills and productive capacity to overcome resource shortages.
- * Use public investment to deliver public purpose rather than private profit.
- * Measure success by wellbeing, sustainability and economic security.
- * **Scotland needs an economic plan, not a fiscal straitjacket.**
- * **A wealth transaction tax**
- * Scotland needs to tax wealth and financial activity more effectively.
- * A tax on bank account financial flows could replace National Insurance.
- * It could broaden the tax base and reduce the tax burden on work.
- * It could also provide a flexible instrument for managing inflation.
- * **Tax the movement of money more fairly, rather than concentrating taxation on earned income.**
- * **The politics of care**
- * The purpose of economics is to meet human needs.
- * Care is fundamental to every society but systematically undervalued.
- * Government must care for people, communities and the environment.
- * Public services are investments in collective wellbeing.
- * **Care should be the organising principle of Scottish economic policy.**

Conclusion

- * Scotland has the potential to create a prosperous, fair and sustainable economy.
- * It needs its own currency, an understanding of money creation and a fair tax system.
- * Above all, it needs a government willing to use its powers.

“Independence should not simply change who governs Scotland. It should change what government believes it can achieve. The question is not whether Scotland can afford a better future, but whether it has the courage to create one.”