

Excerpts from the **Wee Blue Book**. Get the whole thing at <http://wingsoverscotland.com/weebluebook/>

“On 18 September 2014, between the hours of 7am and 10pm, **absolute sovereign power** will lie in the hands of the **Scottish people**. They have to decide whether to keep it, or give it away to where their minority status makes them permanently powerless and vulnerable.”

- Jim Sillars

## Introduction

A very great deal of what you’ve been told about independence in the last few years by Unionist politicians and the media is, to be blunt, a tissue of half-truths, omissions, misrepresentations and flat-out lies.

**We want to show you the truth hidden behind those lies, but using fully-referenced and impartial sources that you can go and check for yourself.**

We’ll be mostly using the UK government’s own figures, the views of academic experts and Unionist politicians and officials, NOT those who support independence.

On September the 18th you’re going to have to make the most important decision any Scot in history has ever made, and it seems only fair that you should be able to do it based on the real and full facts. Scotland’s media has only told you one half of the story. Don’t you at least want to hear both sides before you decide?

## [What’s covered in detail in the Wee Blue Book]

1. PRINCIPLES AND POLITICS	4. EUROPE AND THE WORLD
2. THE ECONOMY	(i) The EU
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Note on sources: Most of our links go directly to the original source. However, on some occasions this would be a document hundreds of pages in size, in which the information would be difficult to locate quickly. In such instances we may link to a page on Wings Over Scotland where the information is extracted and highlighted. However, that page will always then link to the original source for verification.

## The case for independence in five points

We’ll be making our arguments in detail and with lots of sources and references. But the basic case for independence is a lot simpler than that, and it boils down to just five key points.

1. Scotland is a country, and like any other country it deserves to get the governments it votes for. As part of the UK, that happens well under half of the time. We don’t affect the outcome of UK elections, so the rest of the UK doesn’t need our help - so why keep subjecting ourselves to governments we rejected at the ballot box?

2. Scotland will be wealthier as an independent country than it will inside the UK. Even before you discuss possible savings from policy changes (like more sensible defence spending), **Scotland subsidises the UK by billions of pounds every year, according to Westminster’s own figures.** The longer we stay in the UK, the poorer we’ll get. You’ll never get a UK government minister or a No campaign figure to actually say straight-out that Scotland is subsidised by the rest of the UK - give it a try if you like. Instead they’ll try to confuse the matter and change the subject by talking about things like spending and debt (see the Questions section of Chapter 2) in order to make you believe it’s true without having to directly lie to you. Think about it this way - if Scotland was actually being subsidised by the rest of the UK, don’t you think the No camp would be shouting that fact from the rooftops every minute of every day?

3. Scotland’s future is bright. Oil will last for decades yet, and we sit on the brink of a renewables bounty that into insignificance. But the UK can’t be trusted to manage it - **Scotland is the only country in the world ever to discover oil and get poorer**, and unlike almost every other oil-rich nation, Westminster put nothing aside for a rainy day. It also hid Scotland’s wealth from its people for 30 years.

4. We have nothing to fear but fear itself. Threats that Scotland will be ejected (even temporarily) from the EU are hollow, impossible to ever put into practice. The same applies to border controls. Nobody can stop us from using the pound. No country poses a military threat to Scotland, and the only reason terrorists might attack us is because we’re part of the UK. We’ll still get to watch the BBC.

5. People are sensible. At the moment, the No campaign has a vested interest in making things sound like they’d be as difficult as possible for

an independent Scotland. But the day after a Yes vote, the opposite instantly becomes true - it's then in everyone's interest to sort everything out as quickly and cleanly as possible. If you accept that the EU would want Scotland as a member - and it would - then nobody gains from making that process slow and complicated and awkward. If you accept that the rUK and an independent Scotland would still be major trading partners and allies - which they would - then nobody gains from a hostile, drawn-out negotiation process. All parties will seek the best deal, of course, but businesses and people alike want life to continue with as little disruption and upheaval as humanly possible. Nobody wins from a negative approach, and no government will cut its nose off to spite its face.

## [The positive truth about Scotland's possible economic future, from Chapter 2]

The economy underpins every aspect of Scotland's future. The choices that any independent Scottish Government makes, and whether those choices will be easier or harder than those faced by a devolved Scottish Government, will be dictated by how much money is available.

For that reason, the UK government and the No campaign desperately want you to believe that Scotland would be poorer as an independent country, and that it would therefore have to raise taxes and/or cut public spending to protect services.

But that simply isn't true. In fact, it's not even close - the Financial Times stated unequivocally in February 2014:

*"An independent Scotland could expect to start with healthier state finances than the rest of the UK."* [5]

Scotland subsidises the UK by billions of pounds every year, and has done for many decades. On the rare occasions when it's forced by Parliamentary rules to tell the truth, the UK government admits that fact plainly.

On 27 March 1997, the Herald newspaper reported:

*"Mr William Waldegrave, Chief Secretary to the Treasury, has been forced to concede figures in Commons questioning in recent months, which show that if Scotland's share of North Sea revenues had been allocated since 1979, then the net flow in favour of the Treasury from north of the Border ran to £27bn."* [6]

The Herald went on in the same article to note that Mr Waldegrave (the 1997 ministerial equivalent of Danny Alexander) later admitted to the House that the real figure was even higher, at £31 billion over the 18-year period.

The extent of Scotland's wealth after the discovery of North Sea oil in the 1970s was so great that successive Labour and Conservative governments hid it from the Scottish people for three decades. When a 1975 analysis for the UK government by economist Professor Gavin McCrone was finally made public in 2005 after a Freedom Of Information request, The Independent newspaper reported:

*"An independent Scotland's budget surpluses as a result of the oil boom, wrote Professor McCrone, would be so large as to be 'embarrassing'. Scotland's currency 'would become the hardest in Europe, with the exception perhaps of the Norwegian Kronor.'*

*From being poorer than their southern neighbours, Scots would quite possibly become richer. Scotland would be in a position to lend heavily to England and 'this situation could last for a very long time into the future.'*

*In short, the oil would put the British boot, after centuries of resentment, firmly on the foot standing north of the border. Within days of its receipt at Westminster in 1974, Professor McCrone's document was judged as incendiary and classified as secret. It would be sat upon for the next thirty years."* [7][8]

The pro-Union economist Professor Brian Ashcroft (husband of former Scottish Labour leader Wendy Alexander) calculated in July 2013 that had Scotland been independent since 1981, it would by now have an accumulated basic budget surplus of at least £68 billion [9].

The real figure, including interest and other benefits, would likely be an "oil fund" of well over £100 billion.

But instead of that huge surplus, Scotland is part of a UK with a massive £1.4 trillion debt [10] - our population share of the debt is approximately £118 billion.

In short, membership of the UK for the last 32 years has left Scotland anywhere from £180 billion to £250 billion worse off than it would have been as an independent country. Thanks to Westminster we're massively in debt, where we should have had money in the bank.

There's no point crying over spilt milk - that's all in the past. (Although the vast subsidy Scots have paid to the UK could still play a big part in reducing how much of the UK's debt Scotland takes on in independence negotiations - see Chapter 5) But the fundamental economic facts making Scotland stronger than the UK are the same now as they've been for the last 40 years, as the Financial Times observed.

Scotland can't afford to keep paying tens of billions of pounds over and above its fair share. The simple fact is that by any reasonable

calculation, and even BEFORE the effect of different policies (such as scrapping Trident) is taken into account, Scotland will have more money as an independent country than it does as part of the UK.

## [Nailing the lie that Scotland is subsidised by the UK (from chapter 2) ]

Q: "But isn't UK government spending higher per person in Scotland?"

A: Yes, it is. But Scotland pays for every penny of that spending and more besides.

As the Financial Times article from February points out:

"Although Scotland enjoys public spending well above the UK average – a source of resentment among some in England, Wales and Northern Ireland – the cost to the Treasury is more than outweighed by oil and gas revenues from Scottish waters." [5]

On average, UK spending is around £1,200 higher per person in Scotland than in the UK as a whole. But on average Scotland sends £1,700 more per person to the UK in taxes [13]. We only get back around 70% of the extra money we send to London.

[Public spending in Scotland is higher due to the allowances made by the McCrone Formula which rightly recognises that it costs more to deliver public services in a sparsely populated country like Scotland – but this is likely to change after the referendum if Scotland votes No due to resentment from England, and be hidden as devolution of tax raising powers, in a form imposed by the UK parliament.]

[The Wee Blue Book further explains how the selective and oft quoted figures from Better Together hides the fact that whole of the UK – not just Scotland – gets more money spent on it than it generates in tax due to the UK government running a deficit, and that in fact Scotland actually is burdened with more debt than its share. So Scotland actually still subsidises the UK even when in deficit.]

Q: "But doesn't Scotland get more money spent on it than it generates in tax?"

A: Sort of. In 2011-12, for example, Scotland generated roughly £57bn in tax and had £64.5bn spent on it. But that extra spending isn't a generous gift from the UK – it's borrowing, taken out by the UK government in Scotland's name. It's not money from the rest of the UK, it's money from international banks – it becomes part of the massive debt referred to above, **and Scotland has to pay it back.**

(And we have to pay it even if we didn't need or want the things it was spent on – like nuclear weapons, the London Olympics and the HS2 railway from London to Birmingham, all of which Scotland pays billions of pounds towards because Westminster claims they're for the benefit of the whole country [14].)

Scotland's deficit is in fact considerably smaller than the UK's – in 2011/12 the UK's deficit was £126bn [15], making Scotland's population share of it £10.6bn. Yet Scotland's own deficit that year, according to Alistair Darling [16], was only £7.6bn. **In other words, in just one year Scotland had to take on an extra £3bn of the rest of the UK's debt, as well as all of its own.**

For perspective, £3bn is roughly three times the cost of free university tuition (£590m), free prescriptions (£60m), free bus passes for pensioners (£180m) and free personal care for the elderly (£200m) combined. Most of Scotland's deficit (roughly £5bn a year, or two-thirds of it) is in fact made up of UK debt repayments [17]. We only have to pay that because we're in the UK and the UK keeps loading extra debt onto Scotland, even though Scotland already pays far more than its share.

The facts are clear – the longer we stay in the UK, the worse Scotland's deficit and debt will get.

Sources:

[5] Financial Times [6] The Herald [7] The Independent [8] UK government [9] Professor Brian Ashcroft, Fraser of Allander Institute [10] Wikipedia [11] Hansard/YouTube [12] Hansard [13] Scottish Government [14] Financial Times [15] Reuters [16] "Better Together" [17] Scottish Government [18] BBC Radio

All links at <http://wingsoverscotland.com/weebluelinks.htm>

## On Currency (from chapter 3)

The No campaign's most repeated scare story is that an independent Scotland wouldn't be able to keep the UK pound. This is a categorical lie. Sterling is what's known as a "fully-tradeable" international currency, which means that any country can use it if it wants to, without requiring the UK government's permission.

So even if the threats made by George Osborne (and backed by Ed Balls and Danny Alexander) that Westminster would refuse a formal currency union were to turn out to be true, nothing could stop Scotland from continuing to use the pound.

Many economic experts actually believe that using Sterling "unofficially" would be a BETTER plan for Scotland. In February this year Sam

Bowman, research director of the world-renowned Adam Smith Institute, said:

*"An independent Scotland would not need England's permission to continue using the pound sterling, and in fact would be better off using the pound without such permission."*

*An independent Scotland that used the pound as its base currency without the English government's permission would probably have a more stable financial system and economy than England itself."* [23]

Professor Lawrence White of the Institute of Economic Affairs agreed, noting that while informal use would leave Scotland without a national central bank, such an arrangement can actually be a positive:

*"The possibility of banking panic justifies having a central bank only if it can be shown that panics are more frequent and severe in countries without central banking than in countries with central banking."*

The evidence actually points the other way. An official lender of last resort can unintentionally worsen the problem of banking panics if it makes explicit or implicit bailout guarantees that encourage banks to take undue risks" [24]

### On Health (from chapter 3)

NHS Scotland is already funded and controlled by the Scottish Government, and all of the necessary bureaucracy and infrastructure that lets it work with the other UK health services is already in place and has been in constant use for almost 70 years. In the event of a Yes vote, absolutely none of that will have changed, and the service will continue just as it does now.

In the event of a No vote, however, things will be very different. The NHS in England is being rapidly privatised [33].

In June 2014, the UK health minister Janet Ellison was secretly recorded telling a Conservative policy group:

*"I don't know how much any of you realise that with the Lansley act we pretty much gave away control of the NHS, which means that the thing that most people talk about in terms of health [the NHS]... we have some important strategic mechanisms but we don't really have day-to-day control."* [34]

Talking about the same Act (whose proper name is the Health and Social Care Act 2012), Labour's shadow health secretary Andy Burnham told the Independent newspaper in January 2014 that:

*"Privatisation of the health service [is] the 'core purpose' of the Health and Social Care Act. Dragging the NHS down that path will destroy it, it will devour what's precious about the NHS."* [35]

The former Chief Medical Officer for Scotland, Sir Harry Burns, told BBC Scotland in July 2014 that independence would be "very positive" for Scottish health, and that:

*"At the moment, decisions - particularly about the health service - being made in England are very different from the decisions being made in Scotland. That is very important because I fear for the way the health service is going in England."* [36]

But if the English and Scottish health services are completely separate, why does the privatisation and destruction of the English NHS matter to Scotland?

It matters because the Scottish budget is calculated as a percentage of government spending in England. If/when the NHS in England were to be fully privatised, its current annual budget of almost £100 billion [37] will cease to trigger a corresponding "Barnett Formula" [38] payment to Scotland, removing approximately £10.2 billion a year from the Scottish block grant.

[The Wee Blue Book outlines the dangers from the UK Government signing up to the Transatlantic Trade and Investment Partnership (TTIP) - that US healthcare providers could sue the Scottish Government if it refused to privatise the Scottish NHS.]

Iain Macwhirter in July 2014 wrote in the Herald:

*'... the UK Health and Social Care Act opened the UK system to TTIP because it explicitly introduces a private market in health provision in England. After a No vote, private providers and insurance companies may argue that, since Scotland is not a sovereign state but a region of the UK, it cannot be exempted from competition for health provision.'* [41]

So even though the UK's four healthcare services are already completely independent, there's absolutely no possibility that the Scottish NHS could survive the full or substantial part-privatisation of the English one if Scotland was still part of the UK.

But an independent Scotland with full control of its own revenues, rather than a devolved one reliant on a grant from Westminster, can protect the Scottish NHS no matter what happens elsewhere.

[These are just excerpts from the Wee Blue Book. Read the whole 72 pages at <http://wingsoverscotland.com/weebluebook/>, including reassurance and clarification on pensions, defence, Europe, oil and other natural resources and much more.]