



Can a right wing newbie and a left wing old school socialist ever really find common ground within labour? More specifically, can a young Scottish Blairite, with just two years experience as an MSP ever actually understand the principles of the leader of her UK party?

If Jeremy Corbyn wins the leadership of the Labour Party, against a selection of candidates whose collective political weight equals that of a balsa wood model plane, but if he does win, the country will witness the oddest arranged marriage in politics.

Corbyn's socialist policies chime with working poor everywhere: Nationalisation of utilities and trains, removal of trident weapons, etc. No arguments from me there.

But then we have a "Scottish Branch" leader, who slagged her potential future boss in the press recently, and has openly declared her ambition to modernise the party.

If Corbyn wins, he then has the uncomfortable task of going on a first "date" with his Scottish underling (*the one who thinks he's a bit crap*) and attempting to unite the capitalism of Dugdale's pretendy Labour, with his own undiluted socialist vision of fairer society.

It's like an arranged marriage between a teenage girl, and an old man from the neighbouring village. She's not going to ever be happy and the old codger Corbyn is too set in his ways to change.

If these two were fired around the Large Hadron Collider at light speed, when they come together they'd cancel each other out like matter and antimatter. The end result would be the creation of a new substance called "Disnae Matter".

I suspect now that Corbyn's past has begun to emerge, he will vanish like the scarlet pimpernel. Then I would bet a sizable sum that one of the lightweights like Burnham, is elected to be Labour caretaker.

But mark my words. I fully expect David Miliband to Don his Cape, put his underpants over his tights, then whoosh in and get elected leader before the next election.

Former Lord Provost of Glasgow Michael Kelly says we are irrational. In an radio interview with Stephen Purcell on Good Morning Scotland (19 Aug) said; *"At the moment we've got a Teflon-covered SNP and Scottish Government that appears to be able to do no wrong... Nothing sticks, they can get away with all of these things and people still fall over themselves to vote for them.*

Purcell said *"but, that's not the way the public view it"* and Kelly responded: *"That's why I think it's an irrational kind of voting, and until voters come to their sense and actually look at the arguments again, and appreciate them, the Labour Party's going to have a very, very tough time in Scotland."*

So Labour Scotland Branch think that we are brainwashed idiots for voting for the SNP in the General Election and Local Elections. sending 56 SNP MP's to Westminster and election SNP councillors in 98% of all by-elections held since the referendum in 2014. We will eventually realise the error of our ways and return to Labours Scotland Branch in our droves and put them in their rightful (their opinion not mine) place as guardians of Scotland.

Kelly seems to forget that Scotlands swing to the SNP from Labour, both UK and branch, has been happening for a lot longer than 11 months. Jim Murphy the previous caretaker of the branch even realised that support for Labour has been waning in Scotland for some time; *"I want to apologise because twice Scots have said they didn't think we were good enough to govern in Scotland – in 2007 and 2011. We didn't listen to them. That has to change."* Will they change? They won't support Independence or Home Rule for that matter, so don't hold your breath.

It seems to have escaped the Westminster Governments attention, whilst George Osborne is piping joyful news through the UK public address system about the economy recovering and there being more jobs and cash in your pockets, that the ACTUAL national economy is even deeper in debt than ever, **£1,623,531,684,697** (accurate Mar15) **in debt and rising.**

Osborne's continuing to deceive the electorate into believing that our increased spending power as consumers is because the deficit is down. **This is a lie.**

Then there's the idea that austerity has worked and Britain is coming out of debt. **It is not.** In fact Osborne has had to borrow more every single year, just to keep the faltering economy sputtering along.

The deficit is down a bit, but the actual amount of debt continues to climb and we cannot pay it back or even BEGIN to pay it back whilst the deficit stubbornly refuses to reduce for another decade.

So if we are all buying on credit cards thinking the good times are back, **we couldn't be more wrong.** Our UK productivity is amongst the lowest in the world. Greece has better productivity AND less debt than Britain.

This better together nation we voted to stay in is about to crash again. This time it will be the domestic economy which burns. After all the national economy is already crippled and subsisting on borrowed money. Only the us the citizens will be hit by our own "Government encouraged" spending.

Without Oil - Would Scotland already be Independent? Quietly and without fuss, one of the key claims unionist economics, that Scotland is overly dependent on oil, has lost its menace. The referendum battle lines on oil revenues were clearly drawn, oil price volatility was a **vital unionist scare story**. The No campaign claimed that Scotland's economy wasn't viable without a steady \$100 a barrel and that any fall in prices would herald an economic disaster. Claims of 'armageddon', 'cataclysm', 'black-holes', 'tax rises combined with massive cuts in services' were all based on fears of \$70 oil prices then considered to be the worst case scenario. Today \$70 would be a desirable price for the industry – so why hasn't the sky fallen in?

Make no mistake, the oil price has fallen dramatically and now fluctuates between the mid \$40s and high \$60s a barrel, arguably beyond the worst case scenario predictable from historic data. The low price is bad news for Aberdeen, the North East and the whole oil and gas sector. Tens of thousands of jobs are being cut as oil companies try to adjust to the price slump and every single job lost is a catastrophe for the individual concerned. There has also been a significant fall in Scottish Government revenues and, as a result, our short-term (one year) notional operating deficit is 8.1% of GDP versus 5.6% for the rest of the UK. However, this is still a significant improvement on the previous year's 9.7% so, rather than 'Armageddon', lower oil prices have just meant that Scotland's economy, despite taking a sizable hit has proven it is strong, sustainable and has a manageable deficit, even with oil prices falling to the worst case scenario.

Devastated by the electoral meltdown in Scotland of the unionist political parties, it is only natural that tribalised unionists would seize on the fall in oil revenues as vindication but they are clutching at straws. The crowing goes something like *"Ha! Ha! Ha! If you had voted for independence you would be bankrupt right now"*. This argument fails fundamentally on two levels; firstly, the often overlooked fact that Scotland wouldn't have become independent until 2016 and lower asset values during an asset negotiation could actually be useful. Secondly, recent economic data shows that Scotland's economy is still strong, growing and, in some key areas, even outperforming the rest of the UK; not only that, the IMF have stated that UK economic growth is being held by low oil prices driving down manufacturing costs and inflation – go figure.

But what about Scotland's growth, given the oil price was supposed to affect us so badly? Contrast the armageddon argument with the fact that Scotland has just experienced the longest period of continuous economic growth on record since devolution in 1998, having enjoyed ten quarters (Q4 2012 – to Q1 2015) of continuous growth.

A report on Scotland's economy published last week led Martin Gill, head of Accountancy firm BDO LLP in Scotland, to say we are experiencing a *"summer of success"* for Scottish businesses and that Scotland has *"a thriving economy, despite global economic unrest"*. In a separate report Donald MacRae, chief economist at Bank of Scotland, said *"Activity grew in the services sector while manufacturing output showed a welcome return to growth"* and predicted *"moderate growth for the rest of 2015"*. In June UK Government figures showed that a surge in North Sea oil and gas production lifted UK industrial output by 1% – the biggest increase since 2010, helping growth in the UK's economy (not just Scotland's) pick up 0.7% in the last quarter. In fact, the ONS (office of National statistics) reported that "mining and quarrying" which includes oil and gas, rose by 7.8% in the quarter, which they described as the biggest increase since 1989 despite falling oil prices. Inward investment figures released last week by Scottish Development International (SDI) show 2014/15 was a record year for inward investment in Scotland. More than £433 million of inward investment was secured, worth 9,659 jobs. This is 17% increase in projects and a 30% increase in jobs in 2014/15, despite the referendum where uncertainty was predicted to stop inward investment stone dead.

Surely with oil and gas job losses impacting disproportionately on Scotland the latest job figures will show Scotland underperforming? Not a bit of it, last week's show that the UK jobless total increased by 25,000 in the last quarter whilst Scotland's fell by 13,000, the best performance in all 12 UK regions. Figures for the full year show that employment in Scotland rose by 28,000, unemployment fell by 19,000 and economic inactivity fell by 6,000 since June 2014 and that the Scottish economy matched UK growth in 2014.

Aberdeen could become world leader in renewables. This stands in direct contrast to the unionist Armageddon argument and tallies with the pro-independence position that oil and gas was a bonus to Scotland's economy. However, the oil sector has taken a hit and that demonstrates comprehensively the negative impact of Westminster's error in not creating an oil fund to deal with pricing volatility. Additionally, it adds weight to calls to invest now to turn the North East into a world centre for renewables energy, preparing for the time when oil does become depleted. The oil industry will be heartened by news that BP is investing \$1bn to extend the life of its UK North Sea assets; their Eastern Trough investment will secure the future of the field for the next 15 years. Recently, 41 new licenses were awarded for oil and gas operations in the North Sea, making the recent licensing round the largest in five decades, with 175 licenses covering 353 blocks. Oil and Gas Authority chief Andy Samuel said *"The UK continental shelf remains a world-class hydrocarbon province where significant resources and economic value remain to be realised and that the good level of interest in the 28th round highlights the continued attractiveness of the UK's oil and gas resources"*.

The current price of oil curtails the North Sea revenue bonus to Scotland's finances but that we are seeing prolonged low prices now (due to geopolitical influences rather than supply and demand) makes it more likely that the price will rise in 2016. The World Bank and IMF forecast steady rises to around the \$70 mark in 2020 with the EIU more bullish at \$90.

The argument that Scotland's post-independence economy would be dependent on the price of oil has been totally debunked by the fact that the price has fallen to unforeseeable lows and yet our economy in many areas has outperformed the rest of the UK. An independent Scotland could invest for growth rather than wait for Westminster austerity to slow the economy and create a new economic crisis.

Hearing again that oil production increases have boosted the UK's economy, I can't help but wonder, if Scotland didn't have oil would we already be independent?

by **Gordon MacIntyre-Kemp**