

Introduction

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- * Robert Ingram, C. Eng. SDA Board member for Aberdeenshire. Alex Wilson, Electronics Engr. SDA Board member for Lothian.
- * The SDA are a group of Scots who are developing the detailed policies and defining the institutions which will be required by a sovereign Scotland

We will take questions at the end of the presentation.

The last time I made a presentation was on Safety to an offshore drill crew who had just finished a gruelling 6 hr shift. It was the snoring of the few which kept the majority awake. I'll try to do better today.

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In 2014 The people of Scotland are being asked to Vote on a major Constitutional change.

- * Are the issues relative to that change understood?
- * The SDA consider that the bulk of Scots don't have all the facts they need in order to make an informed decision.

Let's Start with who the Scots Are

- * Essentially, the Scots are a fusion of predominately three related Celtic peoples, with later infusions of Viking, Angles, Flemish and other Germanic bloods.
- * The Scottish Kingdom was founded by Fergus Mor around the year 500 AD, and was a kingdom some 200 years before England. We have lived within the bounds of our national

territory for over 1500 years.

Geographically, Scotland is almost an island, with around 10,000 kilometres of coastline with 130 inhabited islands, and a mere 150 kilometres of land frontier, most of which runs over mountainous country running from the Solway Firth to the mouth of the Tweed Estuary.

The 1706 Treaty of Union between Scotland and England and the subsequent Scottish and English ratifying Acts of Union in 1707 laid down the terms and conditions as per international law.

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Fiscal Control and Independence

Let's move onto money matters.

- * Contrary to current myth Scotland was not broke in 1707, only the landowners and lowland merchants, who had invested in the Darwin expedition were broke, unfortunately, they still controlled the political power.
- * The real wealth of Scotland was held by the merchants and tradesmen in the Burghs and they were cash rich.

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* So the first action of the London government after the 1707 Treaty was to raise the taxes, to recoup all the bribes paid to the "parcel o' rogues" in Edinburgh and also to provide a tidy sum to itself. As they have been doing ever since.

Except, during the years 1752 to 1759 when the London government supplied the money to build the fortress at Fort George on the south side of the Moray Firth - to house the troops to contain the Highland clans.

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Scotland is subsidising the UK

- * The net flow of revenues is from Scotland south to the UK treasury.
- * Today, even the London government admits that Scotland is solvent and can pay its own way.
- * The unionists however, are still in denial, even when it is now well proven that it is Scotland which is subsidising the London Treasury.

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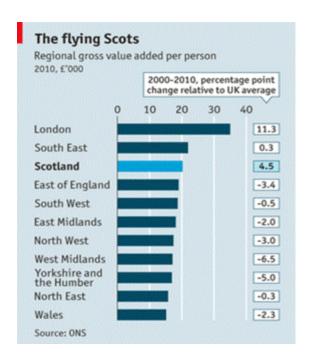
* These subsidies to the UK treasury runs into £billions every year as shown by reports such

as "The Great Obfuscation" and other sources. -provide a handout of appendix A & B which shows a net surplus of £10.74 billion in Scottish revenues into the UK treasury -

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Protectionism and Illusion

* Like all dying empires Westminster is sucking dry the provinces to maintain the illusion of sufficiency at the core of the former empire.



• The source of the data is the Office of National Statistics (ONS).

The 11. 3 value for London is a distorted value. For example, companies which create their wealth in Scotland have HQs in London - then the revenues are allocated to London - Diageo and other such companies account for some £5 billion in distortion. Companies across the English provinces, Wales and NI are in a similar position.

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* The Westminster government does not operate as a national government - it operates as a regional government protecting the local interests of London and the south-east of England.

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Lets continue with the money

- * Funding the Nation
- * There are two separate but interlinked aspects to national finance.
- * A Monetary Policy to create and control the flow of money.
- * A Fiscal Policy to control government revenues and expenditure. ===

Let us look at Monetary Policy first.

- * The UK government handed over control of Monetary Policy to bankers.
- * Then the UK government borrows from the bankers, pays interest, and this has resulted in massive debt (totalling £1.4 trillion) incurred by government, which is now paying billions every year to service the debt.
- * This debt is limiting the UK government's ability to assist economic development and growth.
- * The bankers lend out money, at many times the value of the assets they hold and this lack of banking regulation is at the root of the current financial crisis.
- * Bank regulation is therefore part of monetary policy but comes only with an independent currency.
- * John Swinney has confirmed that the pound sterling will be Scotland's post independence currency. This strategy should remain only as long as mutually acceptable.

Possibly shadowing the pound sterling for one or two years whilst the division of assets and liabilities is sorted out.

- * To achieve the full benefits of financial independence Scotland will require to introduce its own currency as soon as possible. ===
- * Post Independence, the adoption of our own currency as quickly as possible will enable an opportunity for improvement in virtually every aspect of financial and macro-economic management, which are
- 1. A well regulated retail banking system
- 2. Steady, full and gainful private sector employment
- 3. Balance the domestic and International budget
- 4. A standard of living comparable to any
- 5. A cap on the national debt
- 6. Savings and pensions protected
- 7. 21st century public services and infrastructure

- for a more expanded understanding read the available handout

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- * Following an initial transition period post Independence the SDA propose that Scotland converts from the pound sterling to its own currency such as the "Merk" divisible by 100 pence.
- * The SDA are proposing a monetary system where only the government has the right to generate money let's call it Constitutional money.

- * Scotland will require its own Central Bank to issue Constitutional money.
- * Constitutional money would enter circulation free of debt as payment for the formation of public assets and infrastructure provided by the private sector.

In the form of payment for materials and wages supplied by the contractors thus enabling the money to pass into circulation increasing the general money pool. ===

We will therefore require and should set up prior to Independence Day _

- * A Central Bank to issue currency, regulate exchange rates and monitor cross border money transfers.
- * An Investment Bank to be the primary channel for funding the public assets and infrastructure.
- * A Stock Exchange to raise money for private enterprises. ===

Let us now move to Fiscal policy

Fiscal Policy - Government Revenues and Expenditures

- * The Scottish government are responsible for raising some 20% of their budget from Council Tax and Business Rates, with 80 % coming as a block grant from the UK treasury.
- * The Barnett derived Block Grants return to Scotland less than half of the revenues paid directly into the UK treasury from Scottish sources.
- * There is therefore no incentive for either Holyrood or local government to grow the economy as all increased revenues go direct to the UK treasury. ===

Incentive to Improve the Economy

- * Post Independence, the Scottish government will assume responsibility for raising all the general public revenues across Scotland and setting a balanced budget.
- * Local government will hold responsibility for raising the local public revenues.
- * The current inefficient UK taxation system, with over 11,000 items, requires to be replaced by a simpler to operate system.

The current UK tax system was adopted from the naval accounting system used when the British Navy ruled the oceans.

- * Replace income tax and corporation tax and other taxes with Flat Tax and Land Rent Value, together with a locally based sales tax to fund local government.
- * This will promote economic growth, competition and innovation, without penalising companies and workforces as at present.

Scottish Debt

* The Scottish government are currently paying £980 million per year interest on the £5.08 billion of PPP/PFI debt incurred by the previous Labour and Lib-Dem administration.

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* Scotland's share of UK assets and liabilities.

With 8.6% of the population of the UK Scotland contributes some 9.4% of the gross revenues. We have paid over the odds for our share of the fixed and movable assets of the UK and its Central Bank - The Bank of England. Assets such as:

- * Bank of England assets. * Defence Assets. * Embassies and Consulates, etc.
- * Contrary to the scare stories being bandied about, Scotland is solvent and there is significant doubt if Scotland has a share of the UK debt.
- * The SDA believe that only some £16 billion of UK sovereign debt can be identified against Scotland.

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Democracy has different interpretations North and South of the Border.

- * There are two separate legal systems operating within Britain.
- * Under English Constitutional Law Parliament is the Supreme Authority.
- * Under Scots Constitutional Law the People are the Supreme Authority.
- * Neither Magna Carta nor the Declaration of Arbroath being recognised as a codified written Constitution in current international terms.

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- * The SDA believe that the Scots have a right to know what they are voting for before any Referendum.
- * Therefore, the SDA propose a written Constitution, based on Human Rights, Rule of Law and Government Structure.

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* The SDA Discussion paper on the Constitution is expected to be ready for review by the third quarter of 2012.

* After being reviewed by the Scottish Constitution Commission and other bodies it will be uploaded onto the SDA website for public comment.

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Trading with Europe

- * Scotland is and has always been a trading and exporting nation. Within the unions with both the UK and latterly within the European Union this ability has been severely restricted.
- * Being in the EU has been disastrous for Scotland.
- * For example, after centuries of balanced management of the fish stocks our fishing industry has been decimated by mismanagement under the EU/CFP since being taken over in 1973. Over 100,000 jobs have been lost and we lose some £2000 million in revenues each year.

Getting out of the EU will enable our communities to regain control and rebuild our fish stocks. The SDA have formulated a proposal to achieve this.

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- * Post Independence, Scotland can join European organisations such as the European Free Trade Association, the 56-member UN Economic Commission for Europe, and others.
- st Within the EFTA side of the EEA Scotland will be able to trade with all 50 states in Europe and states outwith Europe free of the restrictions imposed on EU members.

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Cost of EU versus EFTA per head of population

- * EU costs £660 * EFTA will cost some £80
- * Savings in EFTA £580 per year per head of population.
- * This will significantly reduce the Cost of Living across all of Scotland.

Operating as a member of EFTA will mean a reduction of some 75% of the regulations we have to comply with within the EU. This will be a major boost to our competitiveness on the global markets.

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Economic Conditions for Growth can only be achieved by Independence.

- * Like most western nations Scotland has a high cost economy.
- * All primary fiscal levers are currently controlled by Westminster and these levers are targeted at the needs of the south-east of England.

* Currently there is little incentive for Scottish politicians to grow the economy as the increased revenues generated would go direct to the UK treasury. This will all change when our politicians are responsible for raising the money they spend.

We need to cut out unnecessary regulations, expand and rebuild our commercial industries and retain our intellectual capital whilst increasing our range of quality goods for export.

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You and the Future

- * The engineering, creative and entrepreneurial skills of the Scots are well known as is our ability for hard work, commitment and innovative responses to challenges.
- * Here at Merchiston you are the future, here you will learn the basics of your trade, but the skills learnt here must be coupled to human resource management skills. Your workforce will be by far your most vital asset. ===

Sustainable and affordable Energy supplies.

- * At present Scotland still has a balanced portfolio of energy supplies.
- * Unfortunately the Scottish and the UK Governments are distorting this balance with their obsession with costly, inefficient wind power.

Wind power, due to the high level of subsidies required, will be unsustainable in the long term, whilst the cost of the subsidies is siphoning off money which could be put to better use developing more cost-efficient alternative sources of energy.

- * Modern technology such as high efficiency gas fuelled plants, utilising exhaust heat for district heating could provide a cost-effective interim solution to replace inefficient fossil fuelled plants, etc.
- * Proven alternatives such as combined heating and power plants, micro-hydro power, ground source heating and geothermal energy are all being limited by the technical and business naivety of our political leaders.

It should also be borne in mind that some 60% of all energy used is converted to forms of heating. A major proportion of which is lost at source and in usage. There is therefore significant scope for reducing energy consumption and loss. ===

Oil and Gas

- * Scotland has proven oil and gas reserves, which will provide a usable fuel and chemical feedstock resource for the next 50 years.
- * Independent Scotland with a balanced programme to secure domestic oil and gas supplies will also enjoy an inflow of revenues from exported assets.

- * The SDA proposals for a fuel price at the pumps of under £1 pence per litre including Road License, will reduce both domestic and commercial costs.
- * Achieved by cutting the revenue share by 50%, which will still provide a good revenue stream for funding government. ===

Big Fat Government.

- * Scotland has far too much government, set up to provide centralised control from Westminster.
- * Brussels, Westminster, Holyrood and local authorities all with layers of red tape and costs.

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Small Slim Government

- * Post independence, Scotland needs small government.
- * Within EFTA, Scotland with autonomous self-funding regional government could operate efficiently with only 25% of the current red tape.
- * More public, volunteer and private collaboration at local level is evolving slowly, forced by budget cuts.

The reduced budgets are creating a change of attitude at local authority level by forcing them into changing to a more collaborative attitude, rather than a dictatorial attitude, thus achieve better outcomes at the point of need, since voluntary organisations are generally more efficient at what they do. The process is just starting and there is still a long way to go.

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Public Services such as Health, Education, Social Welfare, Police, etc.

- * In real terms more effective decisions are made and better outcomes achieved when decision-making is closer to the point of need. This will result in more efficient public services.
- * An example being the need to reduce the political interference in education and allow the regional and local area job markets to influence local educational needs. One style does not suit all areas.
- * There is a significant amount of misuse in our welfare system. Social welfare was meant to target those in need but unfortunately has been corrupted by political parties in order to capture votes.
- * Centralising public services such as with a single police force will only work if operational control is retained at local level.

Scottish Security and Defence

- * Since the end of the cold war the danger of a major global war has receded, but it has been replaced by a series of local conflicts as well as threats from terrorism, illegal arms trade, the illicit drugs trade, organised international crime, human trafficking and other threats not susceptible to military solutions.
- * Additionally Humanitarian aid and Disaster relief are ongoing issues.
- * Scotland must have civil and military forces trained to meet these threats and this is the basis of the SDA's Security and Defence Discussion Paper.
- * An intelligence based Strategic Threat Analysis is the basis for the comprehensive SDA Security and Defence proposals.

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Defence Forces serviced by Scottish companies

- * The SDA propose dispersed ground forces similar to the Swiss model, based around our traditional infantry units.
- * To patrol our massive littoral and EEZ waters we will require a mixed force of multirole vessels supported by marines and special forces units, with helicopters and high-speed craft to protect our offshore assets.
- * To police our air space and extensive maritime waters we will require a squadron of light interceptor fighters and a squadron of maritime surveillance aircraft and UAVs.

At least three mainland air bases and two forward bases in the Northern Isles and the Hebrides will be required.

* An effective Scottish Defence Force can be provided for by some £1.2 billion Opex and £1 billion Capex and will provide thousands of new jobs to build, operate and maintain the Scottish based assets.

At present the majority of defence related jobs are concentrated in the south-east of England. It has been estimated that Scotland's share of the UK's conventional armed forces budget is some £3.4 billion of which only £983 million is actually spent in Scotland.

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Foreign Policy - Strategic Engagement

* For Scotland, strategically located at on the northern edge of Europe between the Atlantic, North Sea, Baltic and the new sea lanes being opened up by the melting of the Arctic icecap,

there are major security issues and neutrality is not a realistic option.

* Strategic engagement is necessary and this can only be achieved by international cooperation within organisations such as the 56-member political OSCE and the 50-member military NATO.

NATO is changing and the current NATO Strategic Concept commits NATO to the goal of creating the conditions for a world without nuclear weapons.

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Weapons of Mass Destruction

- * The Scots do not want the Trident missile system to be located adjacent to our largest city.
- * The SDA understand the strategic implications and would suggest renting out Faslane to base the submarines, provided that the warheads were removed from Coulport and stored at Aldermaston in England.

The warheads based at Aldermaston could be transported to Devonport to be loaded onto the missiles if they were ever required.

* The redundant submarine reactor cores stored at Rosyth should also be removed south at Westminster's expense.

Nuclear Sciences and Medical Research

- * It should be borne in mind that nuclear science is a vital and important area of medical research and provides many jobs in Scotland.
- * There needs to be informed decisions based on technical and research needs rather than emotive reactions.

2014 Referendum

- * Under international law, the Scots have the right to a referendum on self-determination without interference from the Westminster government.
- * By attempting to take control of the referendum the UK government are in violation of article 1 para 2 of the Charter of the United Nations to which they are a signatory.
- * The SDA have sent a Memorandum to the General Secretaries of both the Council of Europe and the OSCE asking them to monitor the situation.

a handout is available.

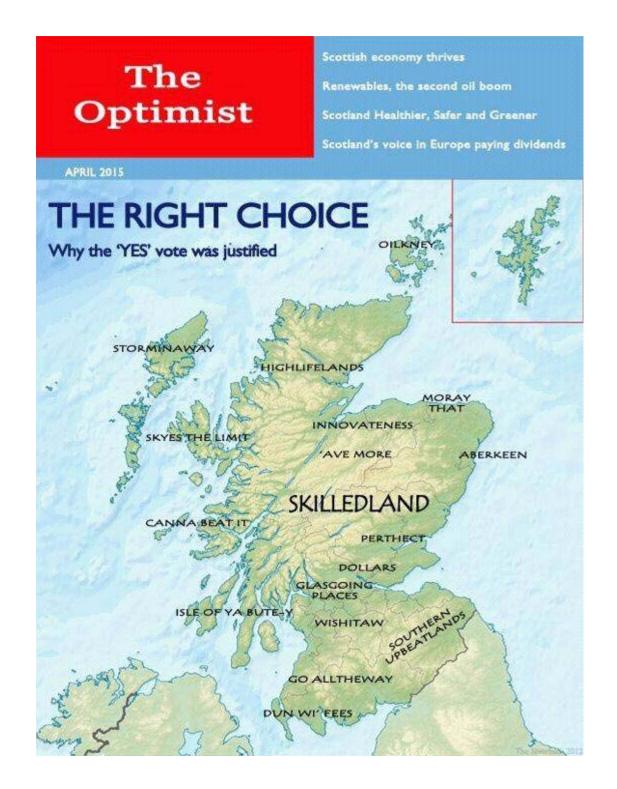
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Conclusion

- * Scotland and England are two distinct nations culturally, economically and geographically.
- st Whilst politically we are growing further apart we will continue to share many common interests as neighbours.
- * This is our Scotland and we want a Scotland ruled by Scots for Scots.

With Independence Scotland will have a unique opportunity to start afresh. To cast aside the outdated thinking and imposed limitations on our natural development as a sovereign people.

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Yes For Scotland