Twitter Thread by ScotFax



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A quick switch to a new currency would create a risk of capital flight with people, businesses and investors moving money, jobs and investment out Scotland.

Even proposing it during a campaign would mean people move money, jobs and investment in case there was a devaluation. Just imagine the political and economic cost that would be paid.

Furthermore uncertainty for people over what would happen to their income, pension, mortgage and savings if held cross border.

Quebec suffered this in a major way in its referendum (with a quick change currency proposal) and the jobs and investment have not fully returned.

A further issue is the cost of borrowing for public services investment. If you ask the world's savers to fund your public borrowing at a time when you are yet to get it on a sustainable footing and then add the risk of currency changes it will be very expensive.

This will harm your ability to fund public services and pass on expensive debt to the next generation. We can try and wish all of these issues away. They are complex, they are difficult, but they are reality.

Going into a referendum campaign with such a currency formulation would be a losing ticket that would also provide real risks to the economy right now. It makes no sense at all.

H/T to @AndrewWilson for all his thoughts that I've just quoted

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