

# The McCrone report – An embarrassment of riches?

By Alastair Bishop

## What is the McCrone report?

The McCrone report was written in 1974, and it looked at whether an independent Scotland would be able to pay its way. It was written for the UK Conservative government, by a leading government economist.

“North Sea oil has completely overturned the traditional economic arguments used against Scottish nationalism”

## What does it say?

The report says that Scotland would be better off as an independent country, rather than continuing as part of the United Kingdom.

It concludes that if an independent Scotland had its fair share of North Sea oil, then Scotland would be one of the strongest economies in Europe.

And it says that if Scotland were to handle this wealth sensibly, it would last a long time.



Image by Simon Johnston

## Why is it important?

The McCrone report shows that the UK government has known since 1974 that North Sea Oil completely changed the arguments against an independent Scotland.

It shows that Scotland would not just be viable, but would in fact be a wealthy country with a very strong economy.

And it is also clear that successive UK governments hid this information from the people of Scotland, and indeed the people of the whole United Kingdom.

“Scottish banks could expect to find themselves inundated with a speculative inflow of foreign funds”

## Why haven't I heard of it?

The incoming Labour government in 1974 classified the document as secret. Successive Labour and Conservative governments kept it this way until 2005, when the Freedom of Information Act allowed the SNP to obtain the report for the first time.

“the balance of payments gain from North Sea oil would easily swamp the existing deficit whatever its size and transform Scotland into a country with a substantial and chronic surplus”

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## Isn't this just nationalist propaganda?

No.

In 2005, the Independent newspaper said, "In 1975, the Government faced a dilemma: how to exploit the potential of its new oil fields without fuelling demands for Scottish independence. So it buried the evidence."

Many anti-independence politicians in Scotland and the UK have agreed that an independent Scotland would be financially viable.

And in February 2012 the Conservative prime minister of the UK, David Cameron, said, "Of course Scotland could govern itself."

The McCrone report itself is now available to read in full, so you can decide for yourself. Find it here:

<http://www.oilofscotland.org/mccronereport.pdf>



Image by pandaposse

"An independent Scotland could now expect to have massive surpluses both on its budget and on its balance of payments and with the proper husbanding of resources this situation could last for a very long time into the future"

## What is the situation today?

The Norwegian government has been saving its surplus income from oil since 1990. In just 20 years, Norway has built up a fund worth £360 billion. Norway has a smaller population than Scotland.

In the 38 years since the McCrone report was written, the UK has recovered nearly 3.5 billion tonnes of oil. In contrast to Norway, successive UK governments have spent the income from oil, rather than saving it.

UK government figures estimate that the remaining North Sea Oil is worth over £1 trillion (a million million).

An independent Scotland would earn as much as £300 billion from the remaining oil. The Scottish Government has suggested that Scotland could save about a billion pounds a year, building up a fund of £30 billion within a generation.

"for the first time since the Act of Union was passed, it can now be credibly argued that Scotland's economic advantage lies in its repeal"