

# Letter from Scotland



Festival city

I returned from Scout Camp in the hills of Perthshire to find my home city invaded by milling crowds of festival goers. There are over a million of them, mostly young and excitable. The Royal Mile in Edinburgh at this time of year is not a place for the old and sensible.

I retreated to my house and my TV to watch live coverage of another festival on the other side of the world. The Scottish rower Katherine Grainger and her partner Vicky Thornley were just beaten to the finishing line by the Polish duo. There was less than a second between them. My heart nearly stopped.

Sport and the arts are big and important businesses. If it's figures you're persuaded by, think of the 50,000 performances at the Edinburgh Festival and Fringe, over 3,500 shows, at 300 venues. A City of Edinburgh Council study found that Edinburgh's 12 festivals boost the local economy by £280m and 5,000 jobs and in Scotland as a whole they create £313m of new income and 6,000 jobs.

A similar study after the 2012 London Olympics estimated that the games would create 70,000 new jobs and £28b in new income by 2020, all for the cost of £9b in initial expenditure. Let's hope the Rio Olympics are equally successful in boosting the Brazilian economy. It certainly needs it.

Some sceptics question such figures but usually they calculate the benefits too narrowly. And all the figures totally miss the spiritual uplift such festivals of arts and sports provide.

First Minister Nicola Sturgeon tried to lift our spirits this week with an announcement of £100m of new spending on

“infrastructure”, starting with new equipment and facilities at the Jubilee hospital in Glasgow. She said something had to be done to stimulate the economy in the absence of any action by the Westminster government. The UK Government pointed out however that the Bank of England has cut the basic interest rate to 0.25 per cent and provided a package of measures worth £170bn to help the banks and corporations cope with such low interest rates.

The trouble with all these top-down stimulus measures is that they don't work. The Bank itself accepts that there will be little or no growth in the economy this year and only 0.8 per cent next year. And this after years of failure to climb out of the great recession. Brexit will bring yet further catastrophe.

In my view, all this so-called “supply side” economics is wrong-headed. What's missing in the economy is demand. And the best way for the government to create demand immediately is to print money and hand it to the poor in welfare payments, child care, home helps for the elderly, more staff for struggling schools, and yes, subsidised sport and arts facilities. This would light the fires of the economy from the bottom not flood the institutions at the top with cash they cannot use.

Last weekend, our tents in Glen Lyon blew down in a westerly gale and this weekend we are again watching the weather with some alarm. A redundant oil rig has gone aground on the west coast of Lewis, threatening the beaches with a spill from its oil tanks. Already 12,000 gallons of oil have been spilled, though the experts say it has dispersed at sea.

The salvage operation for the Transocean Winner is unlikely to begin until the weather improves and meanwhile awkward questions are being asked. Why was the rig being towed so close to the shore in the middle of a gale? Would this have happened if a stand-by tug had still been based in Stornoway?

Why couldn't the rig be dismantled in Scotland instead of being towed to Malta for disposal ?

Finally, Scotland may be lacking economic growth but the population grew last year to 5.37million, up 25,000 on the year before. It's largely because of an influx of students from England, Wales and Northern Ireland and young workers from Europe. 38,800 people arrived from overseas but only 18,200 Scots left to go abroad. All this is in sharp contrast to the panic of a decade ago when it was feared the Scottish population would fall so much, there would not be enough workers to support the growing number of people over 75, a figure which is expected to double to 800,000 over the next 25 years.

I'm hoping to avoid that fate by staying young, re-erecting tents in Glen Lyon, mixing with the crowds at the Edinburgh Festival and rowing in the Olympic Games.

"We are such stuff as dreams are made of."