

Letter from Scotland

Isn't it strange how "shopping" seems to be the centre-pin of our economy these days ? Retailers are dreading a low-spending Christmas. Even the Scottish Hogmanay may not be the bonanza the pubs and restaurants are hoping for.

It's not just that people are switching to on-line shopping – and causing 14 shops to close every day across Britain, including branches of major stores like House of Fraser, Debenhams and Marks and Spencer – but consumer spending as a whole is sluggish. It may be that Brexit uncertainty is causing it or it may be that wages are not keeping up with inflation or it may be the habit of austerity drummed into us over the last ten years.

But without strong consumer spending, it seems the economy is doomed. No one wants to invest if there is no demand for their products or services. Manufacturing is down. Exports have been hit by the fall in the pound. Construction is only just recovering from the recession. Even the great service sector (now 70 per cent of the economy) is only growing modestly. We are in a curious stagnation, with near full employment but little demand and the Westminster

government is still determined to hold back public spending to pay off the national debt.

The Scottish government is chaffing under this restraint. It can only borrow or raise taxes to a limited extent. So the SNP, as the governing party, comes to the end of another year with a wheelbarrow full of problems for which it has to take the blame – NHS waiting time targets missed, teachers demanding more pay, the railways short of staff.

And then we have the added distraction of Brexit. Nicola Sturgeon met the Prime Minister in London again this week to urge her to abandon her exit-deal and try to put together a parliamentary majority for staying in the Customs Union and the Single Market. She offered Mrs May a bottle of gin, from the Isle of Skye, but even that didn't seem to have the required effect.

Ms Sturgeon also spelt out the damage the UK government's new immigration policy would cause to the Scottish economy – a shortage of workers in the health and care sector, agriculture and tourism. She put the price at a 6 per cent fall in GDP, or £2bn a year.

As I discovered first hand this week, our railway system is in a state of pre-Christmas chaos. Some 40-50 train services a day have been cancelled this week because of a shortage of staff. A new timetable has not helped. My first train to Dunfermline was cancelled and it wasn't clear – even to the conductor from Scotrail – which was to be our second train. One passenger became so over-heated, the police had to be called. Scotrail have promised to recruit another 140 staff

over the next few weeks, some of whom will be manning a fleet of new electric trains – although only 31 of the promised 56 have been delivered.

Then there was the weather. Heavy rain and strong winds closed the Perth to Inverness line for a time on Tuesday and services to Ardrossan were disrupted. A ferry coming into Cairnryan from Northern Ireland was hit by such a large wave that several lorries toppled over, crushing cars underneath. Luckily no one was hurt.

This year is the 30th anniversary of the Lockerbie bombing, on 21st December 1988. Much has been written and broadcast this week about the worst terrorist attack Scotland has ever seen. There is as much agony and theories in the air as there ever was. Kenny MacAskill, the former Justice Secretary who released the only man convicted over the bombing, Abdelbasset Ali al-Megrahi, said he has no regrets. He did so on humanitarian grounds and because he feared Scotland would be subjected to further terrorist attacks if Megrahi was allowed to die in jail.

Finally, another piece of Scottish history was uncovered this week. It's a stone circle 4,500 years old. It's been known as a curiosity for some time by the farming community in Aberdeenshire but only now has it been officially identified as a "recumbent stone circle". It consists of ten standing stones, grouped around a recumbent or flat stone, a design that is unique to the North East of Scotland.

It's good to know that, even at the end of a pretty poor year for Scotland, we have survived here for 4,500 years.

So it's likely we'll survive whatever 2019 has to throw at

US.