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SCOTLAND AS A GOOD GLOBAL CITIZEN:

A DISCUSSION WITH FIRST MINISTER ALEX SALMOND

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P R O C E E D I N G S

MR. INDYK: Good morning, ladies and gentlemen. Welcome to Brookings. I'm Martin Indyk, the Director of the Foreign Policy Program at Brookings, and we're delighted to have you here for a special event hosted by Center on the U.S. and Europe at Brookings.

In an historic referendum set for autumn of next year, the people of Scotland will vote to determine if Scotland should become an independent country. And that decision will carry with it potentially far-reaching economic, legal, political, and security consequences for the United Kingdom. Needless to say, the debate about Scottish independence will be watched closely in Washington as well.

And so we are delighted to have the opportunity to host the Right Honorable Alex Salmond, the first Minister of Scotland, to speak about the Scottish independence. He has been First Minister since 2007. Before that, he has had a distinguished parliamentary career. He was elected member of the UK parliament in 1987, served there until 2010. He first became a member of the Scottish parliament in 1999. And since 2004, he's been leader of the Scottish National Party.

The other very important note about Alex Salmond is that he was educated at the University of St. Andrews, which happens to be where Fiona Hill was educated as well. So you see, there's a St. Andrews conspiracy at work here.

Fiona, of course, is the Director of the Center on the U.S. and Europe and the author, most recently with Cliff Gaddy, of an excellent book on Vladimir Putin. She will moderate the conversation with Alex Salmond after he's an opportunity to address you.

So, ladies and gentlemen, please welcome the Right Honorable Alex

Salmond.

FIRST MINISTER SALMOND: Well, thank you very much, Martin, and for that kind introduction. I particularly liked the bit where you said that I became First Minister in 2007, and before that I had a distinguished parliamentary career.

Ladies and gentlemen, before I start this morning, I want to acknowledge the fact Baroness Thatcher died yesterday. She visited this institution as opposition leader in September 1977. She was a formidable prime minister and one who was, of course, a staunch ally of the United States.

Ladies and gentlemen, it's an honor to speak here this morning at the Brookings Institution. It's one of the most respected think tanks in the world and, therefore, highly appropriate. Sometimes it's gradual. This is direct.

I'm in Washington to strengthen links with America, to discuss Scotland's constitutional future, but most of all to mark the lasting friendship between Scotland and the United States of America. Fiona was reminding me a few seconds ago of an opinion poll and a census that was carried out roughly in the millennium in the United States, and the census was carried through, and there was an opinion poll on ethnicity, which was carried out at the same time.

And the census recorded that 10 million people in these United States have Scots or Scots-Irish ancestry. However, the opinion poll suggested that 30 million people claimed Scots or Scots-Irish ancestry, which, I have to say, I thought was the most fantastic compliment that had been paid to any nation in history. Twenty million people wanted to be Scottish. And so one of the messages I've been giving in the United States is you're in. It's done.

Well, at least relationships of family and friendship have lasted a long time. And that friendship is commemorated on the 6th of April, on Tartan Day, although we have now turned, because mere days is not enough for Scotland. So we have turned that into a whole Scotland Week of events.

The 6th of April is, of course, the anniversary of the sealing of the Declaration of Arbroath of 1320, and it was declared to be Tartan Day by a congressional resolution first in 1998 and then by a presidential decree in 2008. The presidential decree said that Scotland and the United States have long shared ties of family and friendship. The Declaration of Arbroath, the Scottish Declaration of Independence, signed in 1320, embodied the Scots' strong dedication to liberty, and the Scots brought that tradition of freedom with them to the New World.

So at Princeton on Tartan Day, I paid tribute to James Witherspoon, a former president of the University who exemplified the shared dedication to liberty as one of two Scots-born signatories of the United States Declaration of Independence. I also noted that another former president of Princeton, Woodrow Wilson, once remarked that every line of strength in American history is a line colored with Scottish blood.

Now I am due to speak later this evening at a reception at the U.S. Capitol. The Capitol is yet another example of the many links between Scotland and the United States. It was designed by William Thornton, a graduate from Edinburgh and indeed Aberdeen Universities. The foundation stone for the Capitol was laid by George Washington on the 18th of September 1793.

And the 18th of September is due to become a significant date in Scotland’s history. I announced three weeks ago that on the 18th of September 2014 --

next year -- people in Scotland will vote on a straightforward question, the most important we've had to decide for some 300 years: should Scotland be an independent country?

But clearly, the choice is one for the people to make, and we'll do so after a clear, vigorous, democratic debate. However I am aware that our decision and its consequences are of interest to many other nations, especially those, like the United States, with whom we share such close ties of culture, history, trade, and commerce.

And so today what I want to do is to set out what independence would mean for Scotland in an international context, how we would engage with the wider world. And in doing so, I want to talk in particular about our continued membership of the European Union and in NATO, and more broadly about how Scotland could and would participate as a good global citizen.

Before the 1707 Act of Union between Scotland and England, Andrew Fletcher of Saltoun, a member of the old Scots Parliament, said, “All nations are dependent, the one on the many. This much we know.” But he went on to warn that if the greater must always swallow the lesser it would be to the detriment of us all.

Now Saltoun was emphasizing a truth which is especially relevant in the modern world. All nations are indeed interdependent. And an independent Scotland will achieve its goals through partnership. But as an independent nation, we'd be able to choose our aims, our partnerships, our priorities. That's the fundamental principle and case for independence, because the best people -- the very best people -- to take decisions about Scotland, about international relations or indeed about any other issue, are the people who choose to live and work in Scotland.

Since the Scotts parliament reconvened in 1999 after 300 years, we have taken the opportunity to strengthen our links with allies old and new with advanced

economies and fast-emerging ones. The Scotland Week celebrations is just one example of how these links between Scotland and the America have been promoted in recent years.

I accompanied a Scottish trade delegation to New York last week. I've been able to announce significant investments from Daktari Diagnostics, the life science company, from SAS, the business software services company. And that type of success illustrates exactly why Ernst and Young have named Scotland for the second year running as the top destination for foreign direct investment out of all the areas of the United Kingdom, indeed, including London. Indeed, for the foreseeable future, and regardless of what happens next year, the United States will remain Scotland's biggest trading partner, biggest foreign investor, and biggest tourism market outside the United Kingdom.

But clearly we have different approaches in international relations for different countries. Our friendship with Pakistan is based on the large diaspora which makes a significant contribution to modern Scotland. Our ties to China and India have developed through shared economic interests, as well as the links between our peoples. Our overseas enterprise agency, Scottish Development International, now has 30 commercial embassies around the world, and the most recent of these has been established in Brazil. So we have a policy of targeted engagement, guided by enlightened self-interest. Independence would increase our autonomy and profile in pursuing exactly that approach.

However, it’s also worth stressing that as an independent nation, Scotland’s most important friends and partners would remain largely unchanged. Our friendships with the United States, Canada, Australia, New Zealand are based on shared

history, but also on modern ties of trade, people, and values. Closer to home, the remaining nations of the United Kingdom and Ireland will be our closest friends and closest neighbors. And the other nations of the European Union and Northern Europe, as a result of our shared geography, our shared democratic values, will continue to be crucial allies.

I want to say quite a bit more about the European Union, partly because it's an issue that's been discussed a lot in Scotland, and partly, of course, because it's important here in the United States. Any serious consideration of the history of Europe would recognize that in recent decades the European Union has been a force for good, a force for peace, prosperity and security. As the world's largest single market, European Union membership brings massive benefits and opportunities for Scotland.

And despite all of the current difficulties in the Eurozone, we saw a reminder of that just two months ago with the announcement of the planned Transatlantic Trade and Investment Partnership between the European Union and the United States. Estimates show that once this is established, the European economy will have a stimulus of half a percent of GDP. For Scotland, given that the United States is our largest individual trading partner outside the UK, this agreement will be especially good news.

There is, however, a fundamental shortcoming in Scotland's current relationships with the European Union. On a range of issues, whether it be fishing or agriculture, employment, economic development, the Scottish government currently has responsibility for policymaking in Scotland. But we have no formal or direct representation when it comes to the decisions that are made in Brussels at the European Council. One advantage of independence, it would enable us to gain equal and full membership with the European Union, allowing us to cooperate on that basis of equality

with 27 other member states, more than half of whom have a population of less than 10 million.

Following a vote for independence in 2014, the Scottish Government would immediately make a notification of intent, confirming that as an independent nation, we want to continue within the European Union.

Our planned independence date is March 2016. It's significant that the United Kingdom government's own chosen legal expert, Professor James Crawford of Cambridge University, has given the view that it would be realistic to expect negotiations to have been concluded by that date. After all, Scotland would begin negotiations as a country which would be a net contributor to the EU budget, and whose people are already European Union citizens. We would begin then as a country which already applies the body of law and policy of the European Union. And we'd begin as a country, keen to be an equal and constructive partner in the European Union.

Ladies and gentlemen, Angus Roxburgh is a highly-respected broadcaster and journalist who was the BBC's foremost European correspondent for many, many years. He summed up the position in an article last month, and I quote: "What would any country gain by making Scotland leave the European Union, wait a while, and then rejoin? Out of sheer self-interest, every country would want to avoid such pointless disruption." His conclusion was also clear: "Scotland's accession would almost certainly be the smoothest and quickest in European Union history."

An independent Scotland would also seek to be an active member of other multinational organizations and multilateral organizations, ranging from the United Nations to NATO. Of course, membership of NATO is of particular interest here in Washington.

Last year the governing party of Scotland, the Scottish National Party, changed its position to supporting membership of NATO following a principled, open, thoughtful, vigorous debate. It could be argued, of course, that Partnership for Peace would enable us to fulfill many of our defense requirements as does Ireland or Finland. But we understand why, in the international community, countries such as Iceland, Denmark, Norway, and, of course, the United States, would prefer it if we signaled our intention to be part of the NATO Alliance as an independent country. Such a step would demonstrate clearly our commitment to working closely with friends and allies. We should acknowledge that NATO is a cornerstone of defense policy for these nations, and, therefore, membership is a responsible decision for Scotland to seek.

It's worth reflecting here on Scotland's geographical position. Scotland is located in a key strategic position in Northern Europe. To our east is the North Sea, to our west the Atlantic, and to the north the Icelandic gap. Environmental warming in the High North and Arctic is occurring faster than anywhere else on the planet. The average temperature in the region has surpassed all previous measurements in the first decade of the 21st century. During last summer, the Northern Sea Route was free of ice, and this trend is set to continue and perhaps become the norm.

There are, therefore, significant opportunities, of course, involving renewable energy as well as oil and gas, mineral extraction, and new international shipping routes. Up to 30 percent of the world's undiscovered gas reserves I believe to be located in the Arctic. The point is that the waters around Scotland will become even more important for fisheries, for energy, for transportation. As things stand, all air and naval policing in Northern Europe is coordinated through NATO. It makes sense, therefore, for Scotland to work within NATO on such important issues.

As a member of NATO, an independent Scotland would also fulfill Article 5 commitments to collective self-defense, recognizing its obligations to the international community.

Scotland's participation in the future either in peacekeeping or military operations would be on the basis of legitimacy.

I have recently argued that an independent Scotland should have a written constitution. In my view that constitution should include safeguards on the circumstances under which we'll commit our armed forces to theatres of conflict, such as a requirement, for example, that military action should be in accordance with the United Nations Charter.

And of course, at a time when President Obama made clear in his State of the Union address the world's focus must be to seek further reductions in our nuclear arsenals, for an independent Scotland, a country of five and a quarter million people, to host nuclear weapons would be absurd. No one seriously believes an independent Scotland should be a nuclear power. Only three of NATO's 28 members are actually nuclear weapons states. The majority, including Canada, Norway, Denmark, are fully committed members of the alliance without hosting nuclear weapons.

Now we recognize that the safe removal of the UK's Trident system will require careful discussion with the United Kingdom government and with our NATO allies. But the aim would be clear: we would require the speediest, but safest, removal of Trident from our waters.

An independent Scotland, ladies and gentlemen, would not be a global superpower, but we would be a good global citizen. Scotland already has wide-ranging cooperation agreement with Malawi, for example. It reflects our historic links to that

country and our determination to target our present, but limited, development budget in a way which allows us to make a real difference.

Other countries demonstrate, on a day-to-day basis how much can be achieved by targeting resources or by focusing on areas of particular expertise. It's one of the advantages, of course, that smaller countries have, both in economic development and international engagement, that they can be more agile in developing clear strategies, and exploiting comparative advantage. For example, Denmark and Sweden are global leaders in international development. Ireland plays a significant role in peacekeeping. Norway has developed a particular expertise in conflict resolution.

Scotland is in an excellent position to assist peace and reconciliation efforts. In recent years we have already hosted important discussions, such as those that led to the 2006 St Andrews Agreement, which helped progress devolved government in Northern Ireland. Scotland also hosted the first dialogue outside the former Soviet Union between parliamentarians from the South Caucasus. In 2003, delegations from Georgia, Armenia and Azerbaijan discussed the then frozen conflicts of that area.

There is much more we can do as a sovereign state to host and support such initiatives. Not only is Scotland a good location for these kinds of meetings and discussions, but our current democratic journey, based on civic, non-ethnic, and peaceful principles, provides a useful backdrop. Scotland can contribute much directly to the rest of the world as an active global citizen. This is something I look forward to immensely.

For Scotland, the global effort to tackle climate change is a good example of an international issue where we have taken a significant influence and role. In 2009, the Scottish parliament unanimously voted for the toughest climate change targets in the world, committing ourselves to reducing our greenhouse gas emissions by

42 percent by 2020 and 80 per cent by 2050. I will stress again, unanimously voted. I'm conscious that bipartisan politics is not at the zenith in Washington at the present moment, and incidentally is not always at the norm in Scottish politics. So it's particularly significant that the Scottish parliament voted unanimously for the toughest climate change targets in the world in 2009.

We've also established the $15 million Saltire Prize for marine energy, one of the largest commercial challenge funds anywhere in the world, and we do that in partnership with National Geographic here in Washington.

There's enlightened self-interest at work here. Renewable energy is one of Scotland's best economic growth prospects in generations. Our research base, and engineering heritage, and our immense natural resources -- we have 10 percent of the European Union's wave power potential, and a quarter -- one-quarter -- of its offshore and tidal power potential.

But we also recognize the environmental imperative for action. As President Obama said in his inauguration speech earlier this year, failure to act on climate change would betray our children and future generations. So that's why last year we became the first government in the Western world to establish a Climate Justice Fund. Climate justice is a concept that nations which have benefited from industrialization have the obligation to help less developed countries adapt to the consequences of climate change.

Scotland's stance has received support from Mary Robinson, the former United Nations High Commissioner for Human Rights, former Vice President Al Gore, among others. It's a message that I took to the Communist Party Central School in Beijing in 2011, and I made the case again at Princeton on Saturday.

The first projects in Scotland's Climate Justice Fund are helping communities affected by climate change in Malawi and Zambia. The fund is currently small -- tiny -- in terms of the scale of the global challenge, but it will make a real difference -- is making a real different -- to people's lives, and stands as a strong message to the wider world. If I could adapt an expression which I think was first used by President Clinton, although Scotland cannot use the example of her power, we can use the power of her example.

And of course, all of the work on this issue raises a final, hugely interesting, and important question: If Scotland can succeed in showing global leadership on one of the most significant environmental, economic and moral issues facing the planet, namely that of climate change, why on earth shouldn't we have control over our own defense, international development, and foreign policy, let alone our tax rates and the welfare system?

Ladies and gentlemen, earlier in my speech I quoted President Bush's Tartan Day Proclamation of 2008, and President Obama's inauguration speech and State of the Union Address. I want to end by quoting a speech given by President Kennedy 50 years ago this year.

President Kennedy was addressing the Dail Eireann and the Irish Parliament on a return to his own ancestral homeland. He, therefore, spoke in some detail about the contribution small nations can make to world affairs. He praised Ireland's participation in United Nations' peacekeeping missions, and pointed out that the achievement of nationhood is not an end but a beginning. Self-determination can no longer mean isolation, and the achievement of national independence today means withdrawal from the old status only to return to the world scene with a new status.

Since President Kennedy spoke, many, many more nations have attained independence. As recently as 1990, Europe had 35 countries. Now it has 50. Of the 27 countries that currently make up the European Union, six of them did not exist as independent states before 1990. When the United Nations was founded, it had 51 member countries. Now there are almost 200.

In 2014, I hope and believe that Scotland will decide -- choose -- to join those nations. We will do so knowing, as President Kennedy knew, that self-determination cannot mean isolation, and nationalism must embrace internationalism. And that's why an independent Scotland will aim to be a staunch friend of our neighbors and allies. We will participate actively in international organizations such as the European Union and NATO. We will use the powers of independence to strengthen Scotland's voice in the world, and we'll use that voice, together with our allies, to promote democracy, international law, climate justice, and human rights.

So as the Presidential decree of 2008 recognized, it is, of course, fitting that we celebrate long-shared ties of family and friendship between Scotland and the United States this week. We look forward to those ties being renewed and strengthened in the years to come, as a newly independent Scottish nation embraces enduring alliances, values, and friendships.

Thank you very much.

MS. HILL: Well, thank you very much, First Minister. I know there are going to be a lot of questions from the audience. But some of the most obvious ones will be related to where you left off about the sense of the independent Scottish nation that moves from nationalism to internationalism.

There's an awful lot of comparisons made, as you well know, between

Scotland and Quebec, for example, Catalonia and Spain. And here in Washington, D.C., those comparisons are made quite frequently. There are a number of conferences, in fact, where all three are set on the table. And the big question is, why is Scotland different?

You've mentioned in many respects the long history of Scottish traditions, the long search for an independent personality for Scotland internationally. And as you've also pointed out, Scotland already has a very strong international personality here in the United States, 20 plus million people who would like to define themselves as Scottish. Scotland has links across the world. I think no matter where were went in whatever hemisphere, we'd find a Scottish diaspora.

You know, thinking about the passing of Hugo Chavez, for example, most people don't realize that the Bolivarian revolution, the very first one, was made on the backs of Scots and Irish mercenaries. Mr. Chavez didn't mention that too often.

The other point, you know, I started off -- not necessarily that I'm an expert on Russia, but when I was actually at St. Andrews, one of my interests in Russia led to the vast number of Scots who had left the Highlands and gone out to Russia. The mother of Peter the Great had Scottish ancestry. One of Russia's greatest poets, Lermontov, was Mr. Lermont from Scotland originally. You could go on and on and on around the world.

Many people might say, look, Scotland has already got this huge presence. Scotland is already, you know, well respected. Why does Scotland need to have an independent Scotland, and why are you not then doing the same thing as Catalonia, Quebec, and going back to, you know, kind of a more rudimentary conceptualization of nationalism? And, you know, basically what is it that makes this

different?

FIRST MINISTER SALMOND: I would say, I think it's a bit rough to describe Admiral Cochran as a mercenary. He was facing impeachment actually from the House of Commons, which is why he ended up in South America. But I think they describe him as the Great Liberator in South America, so I think we'll give him his due title as opposed as just dismissing him as a mercenary. But although, I mean, it's certainly true that the Scots have been known to fight for money. I'm not denying this for a second.

I just wonder for your question, if Scots have had so much influence, by and large, and, you know, it hasn't been all one way incidentally, but rough and smooth, good and bad, but so much influence. I think on the whole in which you judge these things, on the whole in a positive way, then why on earth shouldn't we bill to run our own country properly? You know, if we contribute to the development and emergence of so many other nations, then it seems to me pretty evident that we could probably run our own country as well.

And also, this reemergence of Scotland in a modern sense is not, incidentally -- this is something which has been accelerating as part of a process. I mean, the 80 commercial embassies that I mentioned didn't exist a few years ago. Scotland didn't exist. These are, you know, gains in terms of the national profile of Scotland as opposed to individual success of individual Scots, which have been part of our constitutional development.

And lastly, I mean, Scotland isn't Catalonia. We're not Denmark. We're not Ireland. We're not Quebec. You know, Scotland is Scotland. And you're quite right that no countries are identical. But there are certain underlying points which are true and

certain specific points which are worth noting.

And underlying point is self-determination. I think there is a universal truth that people who take the best decisions about a nation's future are the people who live and work in that nation. And no other country is going to make better decisions about Scotland than the Scots will. I think that's the underlying and pretty universal truth.

The other thing which is not specific to Scotland, but I think is worth noting, that this process of which I've spoken, this process of 100 years of emerging institutional self-government in Scotland, first through the appointment of a secretary of state for Scotland, and in Scottish institutions, and then of the resumption of the parliament in 1999, and so on. In that 100-year history, nobody has lost a life either for or against Scottish independence. Nobody has had so much as a nosebleed.

This is the, you know, politest, most democratic, constitutional transition that I can think of in history. Now there may be other exact examples, but that's a pretty strong example to set. And if it's not specific to Scotland, and it's something that's worth noting about Scotland, then I think it's something worth recognizing.

MS. HILL: Well, you've touched on another couple of interesting issues there, because you've described the nations of the people who live there, which is obviously different than describing a nation in many respects, because so many people point to language, and culture, and, you know, these sort of shared ties.

You talked of a broader family, you know, obviously, but in a more generic sort of sense. And we think an awful lot of people are asking how much, you know, kind of being Scottish, how much does that matter now because Scotland has not only sent Scots all the way around the world, as you've mentioned, as being a huge influx of other people into Scotland, and you've said it's the people who live there who are

making this decision.

And obviously politics also plays an important part. You mentioned at the very beginning the passing of Margaret Thatcher. And one could obviously argue that Margaret Thatcher did a great deal for setting Scotland on this path, even though devolution came under a different --

FIRST MINISTER SALMOND: It wasn't deliberate.

MS. HILL: No, it wasn't. But it was certainly as a result of many of the policies that she implemented. The poll tax first, which has, of course, been mentioned in some of the obituaries of Margaret Thatcher was first implemented in Scotland because the Conservative Party at that point didn't feel that it had so much to lose in terms of their support base because it was already dwindling north of the border.

And so over time, we've seen the political personality of Scotland change really dramatically as the different parties have now, of course, with the Scottish National Party, have gained preeminence across the border as England and the rest of the United Kingdom has gone in a different direction.

So there seems to be here some very interesting things that you're pointing out that do make Scotland different from some of the other independence movements and some of the other decisions about the future, but it seems to be less now about the cultural ties. Politics seem to have some role in that perspective of how Scotland sees itself moving forward as a political personage.

And then this point about the people who live there. And I just wonder if you could pull that out a little more, and then we'll bring in the audience.

FIRST MINISTER SALMOND: Sure. Well, the point about Margaret Thatcher is that you're quite right. I mean, she, as an unintended consequence of some

of her policies, accelerated the move towards to the Scottish parliament. And she managed to alienate a full spectrum of Scottish society.

It's a very interesting that happened in a weekend back in 1988 when as prime minister, Lady Thatcher went to the Scottish Cup final between Dundee United and Celtic or Celtic and Dundee United, depending on your point of view. But the point about it is that both set of fans held up red cards as Lady Thatcher or Prime Minister Thatcher, as she was then, presented the cup. Football fans are not always known to join together in any demonstration in the a cup final, but it was a very effective demonstration.

On the same weekend, as prime minister she went to deliver a speech to the General Assembly of the Church of Scotland on the mound -- it became known actually as the "sermon on the mound" -- where she argued that Christianity should be about individual redemption and not at all about social progress or social campaigns. This came as something of a surprise to the elders and baron of the Church of Scotland, who were engaged in debating exactly such social campaigns, and indeed then presented the Prime Minister with the reports of poverty and housing, which they had just passed.

The point about then the following Tuesday as a young, impudent whippersnapper member of Parliament and the House of Commons, the Prime Minister's questions, I asked the Prime Minister to remind the House of the captain of the Celtics' name to whom she had presented the cup and the name of the moderator of the General Assembly to whom she delivered the sermon. And she didn't think that was a very good question.

But the point about the story is this: that is a sway for Scottish society. And the issue -- I mean, I opposed Margaret Thatcher's economic policies. I thought they

were mistaken. But I've always held the belief that the reason that Margaret Thatcher had the political effect she did in Scotland was about the social direction of her policies, and that's the area, exemplified in the poll tax across a range of other statements -- "There is no such thing as society; there are only individuals," which ran counter to a collective consciousness of Scotland. And what is that collective consciousness if it's not a national consciousness?

I mean, Scotland has a history for thousands as an independent country before we voluntary went into a treaty of union with England -- Scottish culture, Scottish representation and belief in itself as a national entity. I mean, one of the reasons I hope that we have relaxed about nationality, why we don't regard it as an ethnic issue, why the 20 million people who want to be Scottish, absolutely. There are three categories of people: those with Scots ancestry, those who've met somebody who's Scottish, and those who would like to meet somebody who's Scottish. If you want to be Scottish, yeah, sure. That's why we've been able to embrace relatively successfully as did the United States people from other countries, and to find that Scottish experience. That is the collective expression of nationality, a sense of a country's feeling of itself.

And one aspect of its feeling of itself was the issues that Margaret Thatcher's policies created against and enhanced the political effect that she had. It was indeed an unintentional effect. I think I would say that the Baroness Thatcher did not regard her failure to -- well, her basically hearty decline to virtually nothing. And Scotland has one of the great successes.

I think it genuinely puzzled her -- genuinely puzzled her -- and I suspect what she was running across was a different national consciousness. The poll tax, for example, was unpopular in England. It wasn't just unpopular in Scotland. But it didn't

have the same political effect because in Scotland it represented part of a wider social agenda, which people in Scotland found difficult, impossible to accept. And, therefore, I quite fairly say she did accelerate the movement to have a Scottish parliament because no longer just saw the parliament as a nice idea, something that would be useful for Scotland to have, but something essential that people ought to protect the social fabric of the country.

MS. HILL: Yeah. I guess one very final question then that, you know, was raised by what you're asking and what you've put on the table here is who will get to vote in the referendum. Several people have actually asked me recently, will, you know, kind of Scots in the diaspora. You know, you've got some very famous Scots in the diaspora, especially Mr. Sean Connery, or Sir Sean Connery as everybody often refers to, as probably the ultimate image of the Scot abroad.

What happens to the people who really see themselves as Scottish in a major way, as opposed to the residents of Scotland? But not Sean Connery calling it now --

FIRST MINISTER SALMOND: (off mic).

MS. HILL: He wants to know the answer to this question, about who will get to vote, the residents of Scotland and the people who are there to make those decisions, or how will you handle, you know, the Scots who have gone off elsewhere?

FIRST MINISTER SALMOND: With great care probably. I mean, Sean would love to vote in the referendum, but accepts the position that the only way you can define these things is on residence. It would be extraordinarily difficult, indeed impossible, to try and define the voting legitimacy of people with a variety of connections with Scotland.

I mean, frankly I'd love to do it because I suspect, though unanimously by any means. Some people have different views of course. But I can think of a large number of ex pats beyond Sean who would be endorsing the idea of Scottish independence. But it can't be done. And in the judgment that we took that residence base was the only way we could do it, the same franchise as exists for the Scottish parliament election was effectively. And the exceptions to that incidentally are people who are abroad in the armed forces or in the government service, the argument being they're not abroad by choice. They're there as part of the work for the country.

MS. HILL: Well, that will obviously be a very important political signal for further settings like this because, of course, this is one of the most contentious issues in most of these referendums, who gets to vote. So I'm sure people will be watching this very closely.

FIRST MINISTER SALMOND: Well, one of the very few areas which hasn't been -- I mean, I'm not saying it's not controversial, but it hasn't been a contention between the UK and Scottish governments, even though there were many issues which were a matter of contention. But that wasn't one of them.

And, of course, one of the significant things that's happened (inaudible) in the Edinburgh Agreement. I have signed an agreement with the Prime Minister which does three things. Basically it says there shall be a referendum organized by the Scottish Parliament which will have unchallenged legal authority, and, secondly, that both governments will accept the result. And crucially, in my view, under Clause 30, says that both governments will work in the interest of the people regardless of the result, which I think is a rather important agreement and document.

And a lure in getting to that agreement -- there were many points of

contention. Interestingly enough, the issue of the franchise wasn't one of them, probably because both governments realized in practical terms, that's the only way it could legitimately be done.

MS. HILL: Right. Well, we have lots of questions here. I'll give Martin Indyk the first prerogative, even if he's not Scottish, but he told us earlier he wanted to be. Anyway, and then Camilla Vedone from the Spanish embassy, and then the lady over here. And I'll try to make sure that we get everyone.

MR. INDYK: Well, I do drink Scotch, so I don't know whether that qualifies me in some respect.

But I'm wondering what the day after looks like for the residents of a newly-independent Scottish state. When they wake up the next morning, what exactly is going to be different for them? Will Scotland be part of the Eurozone? Will it have its own defense capability? Are you going to have to have a kind of universal draft? How are you going to pay for that? And just what it is going to look like? Paint us a vision of an independent Scotland in terms of the day-to-day difference for its citizens.

FIRST MINISTER SALMOND: Well, Martin was very kind enough not to mention that while I brought the Brookings Institution a loving cup from the Gaelic, which is a receptacle for whiskey, I omitted to bring the whiskey, for which I'm very, very sorry -- the actual intent of that in due course.

But the day after the referendum, Scotland will look identical to the day before. I mean, I hope there might be some celebrations. But notwithstanding that, I mean, people will continue as per normal.

What we've done is to set a target date for independence of March 2016, 18 months after the referendum. And that 18 months, of course, is the period in which

negotiations will take place with regard to international organizations, negotiations between the Scottish government and the UK government where they transfer responsibilities, negotiations with the European Union about Scotland becoming and continuing as a member of the European Union. I referred to that, of course, during my speech.

But if I could make two points. One is about the euro. We've just published a paper with a range of galaxy star economists, like Joe Stieglitz, for example, who's one of the members of the Commission, and Jim Merlis, which argued and which is our position that being part of the sterling area would be the best monetary policy position for an independent Scotland.

Some people have suggested, and wisely, that Scotland would be forced into the euro, and that's manifestly and probably not the case basically because if countries without opt outs, without formal opt outs, can't be forced into the euro. Sweden, for example, can't be forced into the euro. Why? Because to be in the euro, you've got to be in the European monetary system for a period of two years, which is a voluntary arrangement. And if you choose not to go into the European monetary system, by definition you can't go into the euro.

It's also worth saying incidentally that as far as I know, the European Central Bank is not looking for additional members at the present moment.

On defense capability, then we will have Scottish Defense Force. Currently Scotland contributes in monetary terms, in the balance sheet terms, 3.2 billion pounds to the United Kingdom defense budget. The amount that's actually spent surrounding Scotland or in Scotland or on procurement in Scotland is about 1.8 billion. We propose a defense budget for the Scottish Defense Force of 2.5 billion, which is the

European average of defense expenditure in terms of GDP.

And for that, looking at other compatible nations then, we'll have a defense force which is realistic and proper for Scotland's size and contribution it makes to international organizations, like NATO, for example. Now that wouldn't emerge the day after the referendum, or even the day after independence. But that will be the target defense capability of an independent Scotland. Crucially, it will be a non-nuclear defense capability.

MS. HILL: One question related to that, obviously Prime Minister Cameron, as you are well aware, was just recently in Scotland making the case for retaining the nuclear fleet and, you know, basically nuclear capacity against the backdrop of the great uncertainty in North Korea and the proliferation.

And obviously there are a lot of questions about where does the nuclear submarine fleet go. There not locks in the rest of England, and I guess that might be the UK and London's problem of trying to figure this out. But how would you respond to some of the issues that Cameron raised about, you know, why get rid of, you know, the nuclear capacity right now?

FIRST MINISTER SALMOND: Well, I mean, firstly, I'm encouraging Prime Minister Cameron to make as many visits to Scotland as possible between now and next year. And hopefully he'll agree to a television debate since he wants to lead the no campaign and he is the prime minister who signed the St. Andrew agreement, who wants to stop Scotland becoming independent, and the first minister who signed the St. Andrew agreement, who's the leading advocate of Scotland becoming independent. It seemed highly appropriate if we were to debate that directly, not preferably on a nuclear submarine, but probably in a television studio.

To be serious for a second about -- I mean, I'm going to express this as carefully as I can. I mean, I think in a strategic sense, to argue that you need a Trident capability vanguard submarine fleet to defend yourself against North Korea, in a strategic sense, is to leave of your senses. The Trident submarine fleet was designed to penetrate the defenses around Moscow or Beijing. It was designed to have the capability of overcoming the most sophisticated defense framework. It was never designed as a deterrent against a rogue state, which doesn't have the capability to reach the UK by several thousand miles at the present moment.

And if you argue, if anyone argues, that we need nuclear weapons of that scale and capability to defend against North Korea, then that would be a recipe for virtually every country in the world possessing nuclear weapons. It would be the most extraordinary thing as opposed to relying on a collective defense structure, which most rational and sensible people would do.

I would argue that you should rely on that defense structure. I mean, I think my own view would be if Germany can get by without an independent nuclear deterrent, then I think the United Kingdom should manage that as well, in my estimation. But if you aren't persuaded of that argument and you wanted to have a deterrent against North Korea, you certainly wouldn't have the Trident ballistic submarine system. That's just an extraordinary argument.

So I think basically the Prime Minister was looking for a rational for spending a hundred thousand million pounds sterling over the next 50 years in renewing the Trident submarine fleet and basing it fast lane. And I think to use North Korea as a reason for that is pretty superficial and flawed.

In terms of what would happen, it would be unprecedented for any

country -- I think as I said in my speech, it would be absurd to argue an independent Scotland, a country of five and a quarter million people, should be a nuclear power. No one seriously would want that to happen. It would be unprecedented for a country to station all of its nuclear capability in another country. I don't think that, if memory serves me, has ever happened in world history, and I think it's just a pretty strange proposition.

So if the United Kingdom government wants to continue, against my advice and I'm sure against the feelings of many other people, with an independent nuclear deterrent, then it will be their responsibility to find somewhere to host it. Could it be done technically? Almost certainly yes. I mean, the Trident fleet is re-commissioned, and Davenport, which has a base for Trident submarines, a more pressing issue, I think, would be the supply of armament. It could be done by France. It could be done by the United States.

And my advice, such as it's worth to the United Kingdom, would be not to do it, to take this opportunity to become a non-nuclear power. But, you know, that I accept as a matter for the United Kingdom government to decide on, and it's a matter for the Westminster Parliament to decide in the future.

But it's not reasonable to say that another country should take responsibility for hosting the largest concentration of weapons of mass destruction in Western Europe. And I think it's entirely unreasonable to suggest that North Korea is a reason for re-equipping a Trident ballistic submarine fleet.

MS. HILL: We'll get to other people as well. Yes, right behind you in the red tie. Actually, if everybody could introduce themselves as they speak. And I've got you next, yeah.

UNIDENTIFIED SPEAKER: Thank you, Fiona. Thank you, First

Minister. I am political counselor at the embassy of Spain. And I have, if I may, two quick questions which are a follow-up to the previous one by Martin Indyk about the day after.

The first one is about the currency, currency of a new independent Scotland. You said that it hasn't to be necessarily the euro. And then I think the question is, what? Is it going to be the British pound, because Scotland won't have any longer a say on the United Kingdom monetary policy, or it could be a Scottish currency.

And the second question is about those Scots who may want to remain British citizens. Would they be able to keep their United Kingdom citizenship in an independent Scotland?

FIRST MINISTER SALMOND: As a reference briefly to Martin, we published a paper very recently with Joe Stieglitz models on it from the Council of Economic Advisors, which argued that sterling would be the right policy choice for an independent Scotland.

The reason why the Scottish situation of sharing a currency would be different from the euro at the present moment I think is pretty clear. I mean, the euro has a range of countries within it as a divergence in industrial productivity. If you take, let's say, between the Ruhr Valley in Germany and the southern tip of Greece, about 40 to 45 percent. And under these circumstances, it's very difficult to hold a single currency together. It's not impossible incidentally. You can find ways of doing it, but it's very difficult and challenging.

Scotland and England have identical productivity. Scotland's was slightly higher over the last couple of years than England. But basically, for all intents and purposes, in terms of industrial competitiveness and productivity, export productivity has

gotten slightly higher, but within a very, very narrow margin. It is, therefore, what in the economic jargon would be suggested to be an optimal currency area.

Now you then say, well, would we have any influence? Well, obviously the Bank of England is operationally independent. It's the central bank at the present moment. It's not run by the Chancellor of the Exchequer. But the treasury has an observer in the Bank of England monetary committee. There's no reason an independent Scotland treasury couldn't have an observer on the Bank of England monetary committee, but then, of course, it would be as an operationally independent central bank, not under the direction of either the UK treasury or the Scottish treasury. That's, we think, the best option for Scotland.

In terms of citizenship, yes, I believe that people would be entitled, if they so chose, to stick with the rest of the UK citizenship. We certainly in Scotland have a very liberal attitude to citizenship with great approval in the example that Ireland set a few years ago in having an extension of citizenship because we think it's a huge strain for Scotland as a country to have such an active large number of people who want to associate with Scotland.

People tell me, you know, oh, well, wouldn't this mean that lots and lots of people would move to Scotland? As you're well aware, sir, technically 600 million people could move to Scotland tomorrow. Every citizen of the European Union has the absolute right to move to Scotland. People don't do that because they are enjoying the life and profession and business in their country or doing whatever they do.

But there is nonetheless substantial economic, cultural advantage in having as many people as reasonably possible associating with your country, which is why we would tend to favor a much more liberal attitude to citizenship than the one

pursued in the United Kingdom at the present moment.

MS. HILL: Thank you. There's a lady over here. Please introduce yourself.

MS. OSWALD: Hi. Rachel Oswald, Global Security Newswire. I was wondering if you could return to the defense and nuclear issue. Specifically, could you address criticism that you've been too optimistic in that your predictions of what the defense situation will be in a free Scotland, particularly that you'll be granted automatic NATO membership, even if you do expel the nuclear weapons that are the United Kingdom's contribution to collective defense, and that Scotland will not be, I guess, sent the bill from London for the cost of removal of nuclear weapons and building any new bases to house them?

FIRST MINISTER SALMOND: Well, firstly on NATO membership, I mean, obviously Scotland's position would be that we would signify our intent to remain a member of NATO. That would acquire agreement of the other NATO countries.

But, I mean, Article 10 of the Washington Treaty would say that a country which seeks to become a member of NATO which shares the values, et cetera, of NATO would be committed to membership. And I don't think there's any realistic chance of that not being the position which was adopted for Scotland.

The point I was trying to make in my speech, and maybe I could try and reemphasize, you could argue, I could argue, anybody could argue, that a partnership of peace arrangement as Sweden, Finland, Ireland would be perfectly adequate for Scotland's defense requirement, for our own defense requirements.

The reason that the SNP last year after a strong and vigorous debate decided to adopt a policy of favoring NATO membership is because we have had

indications, signals, from friends and partners as that they is what they would prefer because the framework of having Scotland in a strategic position is quite important in terms of their defense configurations.

So we've taken the position to signal that we want to be a responsible member of the international community. And there's every possible reason in terms of NATO's treaties and founding charters that that would be accepted. But that's the reason why we've done this. And, I mean, if you can find any NATO member who says that that wouldn't be acceptable, I'd be very interested. But if you can, you let me know.

In terms of our position on nuclear weapons, no member country of NATO has old nuclear armaments of another country stationed on its -- 25, 28 member countries of NATO are non-nuclear countries. The vast majority of NATO members -- Canada, Norway -- have a stipulation that they won't possess nuclear weapons on their soil. I mean, these are loyal members of NATO who contribute to the NATO alliance. Why would Scotland's position be any different in that context?

But as for being accused of being an optimist, look, I'm in the most optimistic society on earth. Yes, I'm an optimist. And perhaps if we would encourage slightly more optimism in terms of our approach to politics domestically and internationally, then that might not be a bad thing.

MS. HILL: There was a gentleman right at the very back who has been waiting back there for a long time, and I'll try to get to as many people as possible.

UNIDENTIFIED SPEAKER: Thank you very much for this refreshing conversation. As you may know, Catalonia is not facing a very easy way in its pursuit to self-determination, especially because the Spanish government is giving a hard time to the Catalonia movement.

And one of the threats that the Spanish government is using; it's the capacity to become an evil member once independence is reached. That would apply for Scottish situation because it would give an example of other nations, right?

I would like to know your opinion about this threat and also your opinion about the difference between the United Kingdom attitude with Scotland and the Spanish government with the Catalonian independent movement. Thank you.

FIRST MINISTER SALMOND: I don't know that you're being all together fair in terms of what the Spanish government has said. I mean, by and large, the position of the Spanish government has been to emphasize their two positions are not (inaudible), and that's been the general view that it has put forward.

I mean, I have a quote here from the Spanish foreign minister, who's Jose Manuel Garcia-Margallo, of course, who said in Deriavaskul on the 24th of February last year, and makes the point if the UK, both parties agree this is consistent with their constitutional order, Spain would have nothing to say, and no one would object to a consented independence of Scotland.

Now the point that the foreign minister there was that the process by which we have arrived at agreement in the United Kingdom -- that is, the Edinburgh agreement with both governments consenting to the process -- is an agreed process. And that, I think, is a crucial distinction between the position that Scotland faces and the position of other areas.

You know, I'm First Minister of Scotland, and I'm arguing for self-determination from a country. I think you can take an application of general principles. You know, I think it's a good thing for people to have agreements. I think it's a good things for people to have the right of self-determination. I think it's an excellent thing for

people to proceed in terms of their ambitions and of peaceful, constitutional, and proper manner. But it's not for me to, you know, to say or suggest to other people what they should or shouldn't do. That's decisions that they must make in terms of their own framework and their own circumstances, their own constitutional order.

So I think the comments that have been made, they stand.

MS. HILL: The gentleman right behind you has been waiting a while.

MR. CHANDLER: Thank you. I'm Gerald Chandler. First, let me say I'm in favor of Scottish independence. But I want to ask you more about NATO. If you were heading the Scottish government and Scotland was a member of NATO, would you want NATO to get rid of nuclear weapons? And if you favored NATO keeping nuclear weapons, why are you against having nuclear weapons in Scotland?

FIRST MINISTER SALMOND: Well, NATO, of course, wants NATO to get rid of nuclear weapons. That's part of the nuclear disarmament. That's part of the NATO objectives.

I suppose what I answer is this. You know, I have no determination or influence over, apart from giving an opinion, over whether actually the UK after Scotland independence possess nuclear weapons, or whether France possesses nuclear weapons, or whether the United States of America possesses nuclear weapons. The only influence and determination I'll have in common with countries like Canada and Norway will be to say what we shall we do and what our position will be in a responsible convergent with our allies. And that would be our choice in the same way as these countries have made that choice.

Now I accept that's a choice which is much more obvious for a country of five and a quarter million people than it is for the world's greatest super power. You

know, it's much more obvious. Therefore, I can only say what the choice is for Scotland, and I think that's a positive choice to make.

I think if you have the option of being one of 190 countries in the world without nuclear weapons or one of the 10 who have nuclear weapons, then the sensible, constructive international choice to make is to be one of the 190. But I think in fairness to NATO, we should accept as part of NATO's objective to have a reduction, and eventually an elimination, of nuclear weapons as has been stated in a number of NATO documents.

MS. HILL: The gentleman here in the purple shirt. Again, if people could introduce themselves.

MR. BERRY: Brian Berry, Washington correspondent for *Euro Politics*. A quick question on the EU. Could you just clarify your target accession date? I know you were saying you were hoping Scotland's accession -- sorry, Scotland's independence could be concluded in March 2016. Are you planning that EU negotiations for membership would already have preceded that and then it would culminate at the same time so there would be no period where Scotland was basically out of the EU?

And secondly, just in terms of who are you meeting here in Washington from the U.S. government, and, you know, what's been your reception from the U.S. government, because obviously, you know, they're in sort of a tricky position here because Scotland is not an independent state.

FIRST MINISTER SALMOND: Well, I'll take the first question first. We anticipate negotiations, which signify our intent to remain a member of the European Union, immediately following a yes vote and a referendum, and that is in September of next year. Our target date for independence for Scotland is March 2016, which leaves a period of 18 months to successfully conclude these negotiations along with other

negotiations, which will involve the United Kingdom government over a range of issues and other international organizations.

The point I made in the speech is worth repeating because I think it's an absolute clincher in this debate, that Professor James Crawford of Cambridge University, a distinguished academic and international law, but more importantly, was the academic chosen by the UK government -- by the UK government -- to put forward its position in terms of where international law stands about continuing statements, successive statement, new statement, with regard to international treaties. Professor Crawford, when asked was that time scale realistic gave the answer, yes, a realistic time scale.

So if the academic chosen by the UK government to present their position, and it's no secret to say that they're not enthusiastic about this process, gives that opinion, then I think that's a reasonable estimation that the 18-month period is one consistent with what would be required to be done.

Now, I'm sorry, just your second part of your question, could we just pick that up?

MR. BERRY: The U.S. government.

FIRST MINISTER SALMOND: The U.S., yes. Well, I mean, clearly we have meetings with U.S. government officials on a regular basis. The United States have made it clear they don't have a position on Scottish independence, nor should they, of course. And we have excellent and friendly relationships.

This trip has been largely concentrated, unlike previous trips, on economic matters, on economic announcements, on the celebration of Scotland Week and Tartan Week. Later today, we'll be having a congressional reception, and the Scottish Caucus will be hosting us at the Capitol as we celebrate that. We have a caucus

both in Congress and in the Senate of people who on a bipartisan basis work for Scottish interests, so a friendly engagement and reception.

I've made a number of speeches apart from this excellent institution to the Carnegie Foundation at Princeton on Saturday. I was up at Mount Vernon yesterday -- well, I was going to say "present," but I should make it clear it was a loan of some inestimable valued books from George Washington writing to Congress during the War for Independence, reporting back from the front, which arrived through a circuitous route to the National Library of Scotland. So we presented them on loan -- I emphasize "on loan," because I'm Scotland, ladies and gentlemen -- on loan to the new Mount Vernon Library. So there's been a great range of activities of friendship and relationship.

But that's been the purpose and intent of this visit.

MS. HILL: The lady at the back with the glasses.

MS. JOHNSTON: My name s Tracy Johnstone, and I root for St. Johnston football club, and also Celtic.

My question is this. I'm a recovering political pollster.

FIRST MINISTER SALMOND: Well, what do you do when they play against each other?

MS. JOHNSTON: You know, you have to root for the small market team, so when the Saints beat them this year, I went, oh, that's nice.

I'm a recovering political pollster, and here in the States we have what we call red people and blue people, okay? And in the last election for the British Parliament, you also had red and blue people. And you had most of your red people in England, and Scotland was pretty darn blue.

I'm sure they must have more diversity and opinion on the independence

vote in Scotland, so how does that break down demographically among your voters? What groups do you have to convince to go for independence?

MS. HILL: We should probably say that blue is Democrat in the United States.

FIRST MINISTER SALMOND: Yes, I understand.

MS. HILL: As opposed to conservative in the UK. The colors don't quite match up in the transatlantic sense.

FIRST MINISTER SALMOND: And also St. Johnstone is blue and Celtic are green, so colors obviously are a major part of activities.

There was a very interesting poll published a couple of weeks ago in the *Sunday Times*, which I'll make available to you perhaps after the meeting, which is probably the most detailed breakdown recently because it did both a party breakdown -- I'm delighted to say the SNP after six years in government is 20 percent ahead in the party meetings -- but also provided a breakdown in terms of party and demographics of the likely vote next year as people asked, and daily yes was 36 percent and no was 46 percent.

But the most telling differences was highlighted in the newspaper as there was a plurality of men in favor and a plurality of women against independence. And that, I think, is a very important lesson. Incidentally, that difference between men and women doesn't apply to the party meeting, so a plurality of women of voting SNP, the party which I lead, are not pulled from a minority supporting independence.

And I think what that should tell us in the yes campaign is a significant amount about how we have to approach the message over the next 18 months, and we have to make sure that we're looking upon that message as something which is not just

about the grand aim and noble aim of self-determination and development of the nation, but also looks upon the impact that it'll have on individual families in terms of the nature of immediate concerns.

And I think it's very handy to have that sort of detailed analysis because it allows, as you'll be aware in your profession, it allows not to change the intent or message behind your campaign, but to make sure that in your language and your approach that you are making sure you make the right contact with people.

If I may make a confession, I spent a lot of years of my life as an opposition politician in London in the House of Commons. And, you know, because we were a very small party in Westminster. When I became an MP, we had three members out of a Parliament of 650, and Lady Thatcher was prime minister, and she was a formidable prime minister, believe me.

In that situation, you have to adopt a certain approach because unless you make sure your voice is heard, no one, but no one, will pay the slightest attention to you. And obviously as an opposition politician, there is a tendency to negativity because you tend to be arguing against things that the government is doing. And it took me a long time in politics to realize if you actually wanted to win and build something, you had to change your approach and accent the positive rather than the negative, because my absolute belief in politics is that if two negative campaigns run against each other, the most negative campaign will win. Absolutely the most negative campaign will win.

But if a positive campaign meets a negative campaign, and believe me, the campaign against Scottish independence is entirely negative, then the positive campaign will prevail. It may not happen immediately, but it'll take time, and, therefore, the approach, which I have adopted since 2007, and it's worked all right so far, has been

to -- sometimes you've got to hold back, you know. One of the aspects of Scots apart from, you know, liking a good party, is that we like a good argument as well. We're a quite disputatious bunch of folks, you know. But sometimes, actually a lot of the time, it's best to -- sometimes you can win a debate and lose an argument. And what I've tried to learn is to win the argument, and that sometimes suggests a different approach.

There's other differences, of course. Younger people would be more in favor of independence than older people. There's other important issues and lessons in that particular analysis. But the key lesson is for the campaign is to make sure our approach is the right one to maximize the number of people who believe in the future of the country, but also the future of their own families within that setting.

MS. HILL: Thank you. This gentleman here at the back. Thank you.

MR. FRIEND: Thank you. Julius Friend. I'm the author of a recent book on stateless nations, preeminently Scotland.

Sir, there was some question for the Edinburgh Agreement of how many questions would be presented next year, and you ended up with a positive or a negative. But it still raises the question, what is plan B?

FIRST MINISTER SALMOND: That's a very good question, and I'll deal with the first part. You're quite right. I wanted at least to leave open for debate and discussion the possibility of a second question in terms of further devolution, that that was not the view of the Westminster government, who were adamant that this should be a single question.

On the other hand, I wanted to make sure that the single question, if there were to be one, was a positive question, you know. Should Scotland be an independent country as opposed to should we drift off to the Arctic and not speak to

anyone else anymore, which would be some of the formulations that some of our opponents would like.

So in all negotiations, as you'll understand, you have to assess the positives and the negatives of coming to an agreement. And it was my judgment that the importance of reaching an agreement, to having an established, accepted, absolute unimpeachably legal process was a great advantage to the process. And in any negotiation, you don't get always everything you want. You have to take things as a package. So that was the paraphrase to your question.

Now in terms of plan B, I love hypotheticals, you know. I absolutely adore hypothetical questions. But I've also found, in addition to my positivity, I found that you're probably better to predicate on success rather than failure. So if I could over the next 18 months pursue plan E, that's the achieving a yes vote to the referendum, and making sure that achievement of a yes vote would be followed by the negotiations and the successful transformation of Scotland into an independent country, than that's what I focus my mind on over that period.

MS. HILL: Yes, the lady here in the gray jacket, and then the gentleman over here.

MS. BARRON: Hi. My name is Amy Barron. I'm the National Coordinator for the Democracy Commitment here headquartered in D.C.

Given the country's strident commitment to reducing manmade climate change effects among our citizenry, is there a projected plan for smart growth and infrastructure or in sustainable development, which some argue is very needed in Scotland? And if so, in an independent Scotland, what would that look like, and how would one become involved in that?

FIRST MINISTER SALMOND: Thank you for the question. It was a very good question. I just explained why we ended up with a policy discussion over climate change. I mean, the Scottish Parliament doesn't have policy discretion over setting public holidays, so why on earth did we end up with a policy discussion of climate change? Well, the secret of this goes back to 1998 with the Scotland Act which set up the Scottish Parliament, through the legislative process at Westminster was established.

The then Secretary of State and first First Minister had a genius of an idea, and it was an absolute genius of an idea, which instead of going for the entire rigmarole specifying what was to be devolved, it would specify what was to be retained, reserved at Westminster.

And because in 1998, climate change was not the pressing, overwhelming, dominating issue that it is now, they forget to put in climate change as a reserved issue, ergo it was devolved to the Scotland Parliament. So the Scottish Parliament ended up with legislative impact on climate change, an area which, I think, by common consent would be far, far more important than some of the powers which were retained at Westminster. So that's how we ended up with that.

What I like to think is it's an illustration of when you have a big issue to face and grapple with, then a parliament rises to the occasion. And the unanimous vote in favor of climate change targets I think is a very impressive display of the acceptance by the entire Parliament across the political spectrum. This was a matter of such overwhelming importance that required that -- well, not bipartisan approach, multipartisan approach in Scotland. We have, to strike out with, we had five parties at that time, plus independence.

Now how have we gotten on so far? Well, of all the developed countries

in Europe, we have made the most progress in our climate change target, so we're ahead of everyone else, all developed countries, in Europe. Secondly, we've made spectacular progress in renewable energy. You know, we've taken our renewable target for last year was 31 percent of our demand from renewables. We're now at 38 percent and rising quickly. We're going to 50 percent by 2015 and 100 percent by 2010. So on production of renewable energy, we've achieved spectacular success.

We have not achieved as much success in terms of a coordinated planning, the point that you make, and also in terms of transportation networks. And we're trying to do better. We have achieved pretty substantial success in energy efficiency in terms of the housing stock. We have some good figures in terms of the gains we've made. And also in terms of industrial transformation into low carbon processes, that's gone well. But I think the planning and coordination is something we have to do better on.

So we're on target to achieve our highly ambitious targets. We've done really well in the production of renewable energy. But we still have some lessons to learn and some other aspects of this crucial subject. But hopefully because of the consensus approach we have, that we will be able to achieve that as well.

MS. HILL: Thanks. Question here?

MR. RAMSEY: Clay Ramsey, Program on International Policy Attitudes. You mentioned briefly, but it sounded like a personal conviction, that Scotland should have a written constitution. And I just wanted to ask you to elaborate on that in whatever direction you care to.

FIRST MINISTER SALMOND: I do, and we should. I think that will be the majority view. The one caveat I would say, look, I'm the First Minister of Scotland. I

lead the majority party in the devolved Scottish Parliament. But who leads the independent Scottish Parliament will be the result of the elections in May 2016.

I think there will be, and what we've done is put forward a view that we have de facto a written constitution in Scotland. The UK, as you know, doesn't have a written constitution, and some people have even argued doesn't have a constitution incidentally, but doesn't have a written constitution.

But Scotland does have a de facto, in certain aspects, written constitution because we have embedded within the act which formed the Parliament in the European Convention and Human Rights, not adopted it as Westminster, but actually embedded within the legislative process in the Parliament. So we can't legislate against the Convention. As First Minister of Scotland, I can't act against the convention or against the legal interpretation of what the convention would be.

So we have that basis to provide -- and, of course, we have a Parliament elected by proportional representation. We have division of powers of the judiciary and the political process, and we have Her Majesty, the Queen, as head of state. So we have the framework of a constitutional state.

And, therefore, what we suggest is that we take that framework and make that the first constitution of the independent state. But our proposal is we then have a constitutional convention looking closely at some of the exciting models we've seen for popular participation recently. The Icelandic process, I think, is particularly impressive, and allow the people to contribute to the full constitution of the state in that first Parliament elected by the people under proportional representation in May 2016.

And there we find a way to make sure that the constitutional rights of people immediately following Scottish independence will be protected as they are at the

present moment, including freedom of the press and the other range of important rights. But we'll also be able to develop a more full-blown and modern constitution using the participant of methods which are now open to us, which can engage and galvanize as they have done in the case of the Icelandic example, a large section of the community.

MS. HILL: There's a question right at the very back, the gentleman by the --

FIRST MINISTER SALMOND: And I hope incidentally we manage to write one as noble and memorable as the Constitution of this country.

MR. CAMERON: Thank you. This is one of the few meetings I've been at where I'm reluctant to give my name. David Cameron. But I do want to say that I'm older than he is. I got the name first, and I resent his structuring the interpretation of who I am.

I wanted to thank you, first of all, for a very thoughtful and interesting presentation. I just wanted to ask you, the simplest way is to say, will you take "no" for an answer? And the reason I ask that is as a Canadian, I've experienced the (inaudible), holding two referenda in Canada and reserving the right to hold a third. And their strategy seems to be to keep asking the question until the citizens learn how to answer it properly.

So if you're defeated in the referendum, what's your view then on the future? Does that question get set aside, let's say, at least for a generation, or do you reserve the right if it's a very close result to consider next steps or what?

MS. HILL: Before you answer because I know you have got not very much time left, and obviously that's a pretty important question. There are two other questions where people are trying desperately down here. Maybe I'll take three because

you've just thrown as a Scottish Sultai the kind of --

This gentleman -- I'll keep track of these -- the gentleman here in the sweater over here, and the front. And then we'll give you a chance to wrap up.

FIRST MINISTER SALMOND: Sure.

MR. BEARNE: Okay, thank you. Sorry to interrupt. I'm Adam Bearne, Scottish obviously. A journalist formerly of STV in Glasgow, so nice to be able to throw another question at you.

I'm wondering as to what extent your speech today is aimed at an American and international audience about Scotland's role in the global world, and to what extent it's aimed at voters in Scotland who perhaps aren't convinced that Scotland as a small country can be effective.

MS. HILL: Another question, yes.

MR. GLAKOV: Thomas Glokov, German Marshall Fund. I was wondering whether, Mr. Salmond, you can expand a little bit on your vision of Scotland in the EU, an independent Scotland in the EU.

And not so much -- what type of EU would Scotland advocate for, and the reason I'm asking is you've talked about sovereignty, self-determination, and the remarkable step of turning around and seeking membership in an institution that shares sovereignty and will share more sovereignty. So you could find yourself in a situation when adopting the sterling that a year after of continuing with (inaudible), that is, I'm sorry, that the Brits might leave the European Union. Even if they don't, the European Union is on track to go for a banking union and steps to share more sovereignty.

So I was wondering sort of what your mid-term to long-term view on these issues is.

MS. HILL: And a final question here.

MS. O'DONNELL: Thank you. Clara O'Donnell, Non-Resident fellow at Brookings and Senior Fellow at the Center for European Reform.

Picking up on that point, I was wondering in a short-term perspective, to what extent do you think that the ongoing balance of competence that London is currently doing regarding the UK's relationship with the EU, and the potential that this UK referendum you mentioned, yes, could complicate on growing Scottish efforts towards independence?

FIRST MINISTER SALMOND: Thank you.

MS. HILL: Some big questions to end on.

FIRST MINISTER SALMOND: First of all, I want to invite David Cameron to come to Scotland for the referendum to counterbalance his namesake. I think it was so -- or I could have a debate with this David Cameron. That has so many advantages.

But I've said that this is a once in a generation opportunity. The best example I suppose, not the Quebec example, but a Scottish example is we had a referendum on devolution in 1979. We had another one in 1997. And to me that's the sort of generation you're talking about in referendum. It doesn't mean that other things can't happen, of course, but if you're talking about a referendum on independence, then I think it's a once in a generation opportunity, and that's the way it should be looked at.

In terms of which audience, I'm speaking to the Brookings Institution obviously. But I don't think anybody these days makes any remarks which are not capable of being interpreted. What was it, the definition of a "diplomat" was one who was sent abroad to lie for his country. But, you know, whether that was ever true for

politicians -- but it probably was, wasn't it? But nonetheless, you couldn't do it. Obviously in this age you cannot by definition, in the age of tweetability, you cannot say one thing in Washington and another thing in Warsaw. It's just not on.

But I would say this one issue here which I think is important, my remarks on NATO, for example, I don't think that Scottish attitude to NATO is going to be in any sense a decisive issue in the referendum next year. I mean, I daresay that some people will think it hugely important, but most people wouldn't regard it as a key defining issue of the referendum.

And, therefore, the decision that the SNP took with regard to NATO, which was a challenging decision for the SNP to take because of a longstanding opposition of hostility to nuclear weapons, wasn't designed for a Scottish audience in that sense. It was designed to say to friends and colleagues internationally, look, we want to be responsible members of the international community, taking into account your interests as well as our own. That's what it was designed to do.

So then, the question on banking, a very good question, particularly on the UK's attitude to the EU. Well, this to be crystallized is one of the aspects of why Scottish independence and self-determination would be a very good idea. I mean, another one, for example, we touched on with regard to the Conservative Party's attitude to society, or their lack of attitude to a lack of society, would be a better way to describe it.

But also this question of sovereignty. I mean, the European Union is not always the most popular poster boy of Scottish politics, you know. It does get criticized quite a lot, as does the European Commission, as does the way lots of things gets lots of criticism. But there isn't in Scotland a visceral anti-Europeanism. The anti-EU party has

no representation of any account in Scotland whatsoever, and I don't think ever will.

And that trend of politics which has led the Conservative Party, in my view, disastrously, but that's up to them, into the direction they're now taking doesn't really exist. And because small countries often recognize that it is essential to pull sovereignty, but, of course, you have to have the sovereignty to pull. And the essential aspect is not whether you share or don't share, but whether you have the right to decide whether it's in your interest and the interest of your community to share sovereignty.

I think it is in the case of the European Union, which is why I'm a supporter of the European Union. And I believe in terms of a monetary arrangement in the sterling area, that gives us sufficient fiscal discretion in terms of embarking on a different course over taxation and spending, which will allow us to create a different sort of society.

I think one example that's now -- and it's only one of many I could give. Mrs. Thatcher fell forward with the poll tax. The government is falling forward with something called the bedroom tax. And incidentally, it would be a great idea if they just abandon it now because as soon as something becomes called a tea tax in Boston, or a poll in Scotland, or a bedroom tax, then it's finished, you know. The people proposing it may not realize it, but basically it's finished.

So the bedroom tax basically, as proposed and implemented now, says to people in social housing, if you've got an extra room, we're going to cut your housing benefit. The only problem -- one of many problems -- is there's 100,000 people, families, in that position as Scotlanders know, but there's only 20,000 smaller houses in existence for them to go to take the advice of not having this surplus room in order for the housing benefit.

Now why is that an issue? Well, it's an issue, I think, for a very understandable position of social equity, particularly given most of these people have disabilities incidentally. But it's also an issue because the reason for this policy is rising rent levels in London and the Southeast of England forcing up the costs of that housing provision. Not a situation which prevails in Scotland, but that policy is being imposed at the present moment.

Now it's one. I could give many other examples of why it's important in terms of your attitude to taxation, to distribution, your attitude to spending, that you have that autonomy over policy if you want to shape the sort of society which most of our citizens would like to see, which is certainly a more prosperous society, but also a more just society. And also, I believe, a la Joseph Stieglitz, more just society is a more effective, more efficient, and more prosperous society as well.

And lastly, and to the question in terms of similar development type of Europe, I think my advice to the development of the union as there are certain aspects of what a Commission does in relationship with the Council of Ministers, which are high admirable. I mean, for example, the European Commission is by and large infinitely more open than certainly ministers of the UK government. Sometimes they're more open than the Scottish government. So there's an element of openness, which is very good.

The European Union would be wise not to seek to extend its agreement over too many areas badly, and concentrate rather on repairing the deficiencies in the agreements that are there at the present moment, of which there are a number which require attention.

But none of that and the criticisms which inevitably follow in the European Commission and the European Union, doesn't alter the fact, as I was saying in

my speech, that fundamentally this is a force for good and has been since the formation of the common market, and with the right corrective policies can also again be a force for prosperity and progress.

MS. HILL: But there was one very last question there about the UK potential referendum, that you will not interfere or, you know, kind of vice versa, competing referendums.

FIRST MINISTER SALMOND: There is a suggestion, which I don't think bears to see this examination, that somehow Scotland would find it difficult after a yes vote for independence to negotiate, continuing its membership in the European Union. And to think of just how absurd that suggestion is would be to take this context of the UK simultaneously trying to negotiate its way out of the European Union.

Now to a reasonably intelligent observer, which negotiations are likely to be more successful? Is it a country which is part of the European Union and wants to continue to be a member of the European Union, through a different institution, but nonetheless, or is the country which may or may not be wanting to be a member of the European Union? I think the Scottish negotiations for continuing membership would be more successful than the UK negotiations, which may or may not result in an ending of membership. So I think I'm confident that our negotiating position might be somewhat clearer than that of Mr. Cameron's at the present moment.

MS. HILL: The other Mr. Cameron, not our --

FIRST MINISTER SALMOND: I'm sure the real Mr. Cameron, if I can call you that, will be with me in these matters.

MS. HILL: Well, thank you very much, First Minister. This has been a really interesting discussion. All sort of questions, as you know, have been posed.

You've answered quite a number of them today. We know that you'll be going on and explaining more about this. And as you know, a lot of people are watching this very closely.

So we wish you, as they say, Godspeed in all of your endeavors. Of course, none of us take a particular position here, but we're very much looking forward to seeing how this plays out. And we wish you every success with all of your meetings here in Washington, D.C. And don't forget the whiskey.

FIRST MINISTER SALMOND: Thank you very much.

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