THE BROOKINGS INSTITUTION

AN INDEPENDENT SCOTLAND?

THE INTERNATIONAL IMPLICATIONS OF THE REFERENDUM

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P R O C E E D I N G S

MS. HILL: Lord Robertson's actually swum to get here today, in many different respects. I'd like to give all of you a little bit of context before we begin, for the purpose of today's session. All of you who are here clearly know that there's going to be a referendum on September 18th -- a very historic referendum in the larger context -- not just the United Kingdom but we think -- and this will be the focus of the discussion today -- internationally -- on the prospective independence of Scotland, and then the dissolution, essentially, of one of the oldest political unions globally -- the union of the United Kingdom.

And in many respects, as we also know in the United States, we tend not to pay attention to these kinds of things until they're just about to happen. So we've had a lot of deliberations around the think tank world, whether we should actually be having meetings like this two weeks before the referendum. August, of course, is not the best time to have meetings. Well we actually decided we'd try to get started a little earlier, because in spite of the actual resounding lack of attention to this topic in most of the U.S. media, there's been a flurry of activity obviously in the United Kingdom. In February, there was a huge series of articles in the Financial Times. The political campaign are both in favor of a yes vote in the referendum and against the yes vote -- the No campaign in the United Kingdom is actually picking up. There's been lots of controversial statements and presentations. And right now as we speak, it's also Tartan Week, as it used to be called -- now it's Scotland Week in New York. So for those of you who follow fashion trends in business -- the first Minister of Scotland, Alex Salmond is currently in the other great city in the United States, in New York, touting up business for Scotland. And in fact, he was actually here, in this very auditorium exactly a year ago, putting out the case for a cogently, very well argued case for independence as a part of large

(inaudible), and for those of you who weren't there, you can go back again to the Brookings website and to see the case that Amex Salmond made.

So now we're going to do an event with the counter argument, having a very distinguished individual in his own right, with obviously a stake in this issues, coming directly from Scotland, Lord George Robertson, who has been distinguished not just in his political career in the United Kingdom as an MP for Scotland, for many years as the U.K. Defense Secretary, and also as the NATO Secretary General for the period from 1999 to 2004. Security is one of the issues that of course is at the top of the debate and some of the attention that's been part of the Scottish referendum -- what will be the future, for example, of the U.K. Trident submarine capacity. There are many different issues on the table. Many of you might have seen Lord Robertson's Op Ed in the Washington Post on this topic, which was one of the first forays into this issue. So we're trying to provide as much of a balance as possible at least, in the early stage of this debate, and we hope we'll have a few more of these kinds of meetings as we move forward toward September 18th. We also hope that the numbers of you might swell, although we do think it's the rain that's kind of put people off coming.

I also want to give a very personal thanks to Lord Robertson. He knows what I'm going to say now here, because I wouldn't actually be here if it wasn't for this gentleman here. When he was the MP for Hamilton, back in the 1980's -- he's a graduate of Dundee University, when Dundee University was first signed up, but he used to be part of St. Andrews University, where I was an undergraduate. And I was a bit lost at the end of my first year, wondering if I'd actually made the right choices in terms of my decisions, in terms of picking my subject to study. And I went into our career services, asking if they could give me any help. And they gave me the address to write to. This is the days before computers. This was a handwritten note, to George Robertson, MP, who

was also at that time, I think on the British - Russia -- oh, there was a commission, committee that also dealt with Russia. And it led to a very long, probably completely incoherent letter, a bit like my opening statement here. And he very kindly wrote back to me and said he thought I'd made the right decisions and here was advice in the future. So here I am -- thank you to Lord George Robertson. So hopefully he can give us all the similar kind of wise perspective on what's going on with the Scottish referendum and really, the larger implications of this internationally, not just for the United Kingdom. And then I'm going to hand over to Thomas Wright, my colleague here from the Brookings Institution, who's going to have a conversation with Lord Robertson, and then hand it over to you too also, to ask questions. So without any further ado, thank you very much.

LORD ROBERTSON: Thank you very much Fiona, and I'm sure a grateful nation is appreciative of the letter that I sent you back, and kept you here, and you've done a great job here too. And I just would like to thank the United States of America for providing such wonderfully Scottish weather to make me feel at home. And such a wonderful warm welcome at Dulles airport last night, so that Malcolm Rifkind, another former Secretary of State for Defense and I, stood for an hour and a half in line, waiting, to be interrogated by the U.S. Immigrations Service. This was deeply impressive, I have to tell you, to the Brits, who are also standing in line, in seeing us in solidarity with their plight, as we waited for this football cloud to disperse, and eventually. But it's interesting that the leader of the Better Together campaign I think, is in Washington this week and the First Minister of Scotland is in New York, so we're making our pitch about an issue of some significance to our country, in the United States. But what I want to do tonight is to concentrate on the geo-political consequences of this proposition, that Scotland should be become an independent country. I think there's a tendency sometimes for us to sit inside our own electoral bubble, and the debate is

reaching almost fever pitch inside Scotland at the present moment. But the rest of the world, as Fiona said, is only gradually catching up. And I don't think it has yet caught up with the full and dramatic implications of what is going on.

We are in 2014, a hundred years on from the start of what is known as the Great War. And we again are living in turbulent and unstable times. The crises in Ukraine and Syria, in the East China Sea, and in Africa, are only the start of the list of agonies affecting the stability of the world today. And really, has there been a time when the unity and solidarity of the ordered, value subscribing world has been more required? That world is often referred to as the West, both by friends and by enemies. But it is recognizable by the countries who have sustainable democratic structures -- the rule of law, freedom of expression and open economies. However imperfect at times, the nations who make up the membership of NATO and the European Union do form an island of predictability and solidity in what has become a tempestuous and fragile world. The United Kingdom, my country, is still a major power in the world, both militarily and diplomatically, it has weight and it has influence. And the United Nations, and the European Union and NATO, the IMF, the OSCE, the WTU and many more organizations are still listened to with authority and with respect. Whatever our occasional faults, we're still one of the anchors of the Western world. Our diplomatic outreach is significant, and our aid budget is one of the biggest in the world, and it's still rising. In the geopolitics of today, that anchor is important and it is necessary. Our military is still formidable, and a credible force for deterrents against the aggression and territorial intimidation which has now returned to haunt us. And Britain's nuclear missile submarines continuously at sea are a crucial part of NATO's historic role in deterring military adventurism. So who would cheer loudest on the 19th of September, less than six months away from now, if four million Scottish voters decided, say not only but decisively, to break the United Kingdom

in two? Not the nearly half of the Scottish population who might oppose separation. Not the English, who would find themselves in a country that is minus a third of its land mass, without ten percent of its GNP and losing five million of its population. This would be for them a very diminished country, whose global position would be open to question. Not the Northern Irish, who would see a reappearance of old demons. Not the Welsh, whose desire for more devolution inside the continuing United Kingdom is still increasing. The loudest cheers for the breakup of Britain would be from our adversaries and from our enemies. For the second military power in the West to shatter this year would be cataclysmic in geopolitical terms. If the United Kingdom was to face a split at this, of all times, and find itself embroiled for several years in a torrid, complex, difficult and debilitating divorce, it would rob the West of a serious partner, just when solidity and cool nerves are going to be vital.

Nobody -- nobody should underestimate the effect all of that would have on existing global balances, and the forces of darkness would simply love it. The new Scottish state, as seen by the present separatist government, would add to the turmoil and the destruction of the break up by adopting a profoundly inward gazing security policy. According to the Scottish government 670 page white paper on independence, they would have a subscale military with no expeditionary capability, no nuclear power or ballistic missile submarines, and a security policy modeled on Ireland and on Austria. And unpacking the U.K. military would be a depressing and damaging exercise and one that would be fraught with argument and with dissension. Although the Scottish National Party say that they like to compare Scotland with Denmark and Norway, they've actually planned, in their white paper, to spend less than them, and these countries, of course, have, over many years reached a steady developed state. They're not starting with a blank sheet of paper. It is as well an SNP aspiration for the separate Scottish state to

join NATO. But the SNP has been for all its history, bitterly opposed to NATO. The conversion came by a very slim internal majority, just as the referendum campaign started, and in my view, still lacks credibility.

That credibility is magnified by the assertion that they will only countenance membership so long as the United Kingdom's independent deterrent submarines are expelled from their Scottish base. And they have a written constitution prohibiting all nuclear carrying and nuclear power vessels from Scottish land and Scottish mortars. Since the United States of America does not ever declare whether its ships are carrying nuclear weapons, that would automatically, by definition exclude any ship of the United States Navy from entering Scottish waters. How could that possibly -- that condition, possibly be acceptable to the other 28 members of the alliance? It is one thing to unilaterally disarm yourself, but when you choose to unilaterally disarm your neighbor, then you're playing with fire. And given that NATO's strategic concept explicitly states that so long as nuclear weapons exist, NATO will be a nuclear alliance, it's difficult to see the NATO friendly policy as more than an electoral fix. But yet, one that is loaded with ominous overtones for Western determinants.

But the geo-strategic consequences don't stop with what happens in the United Kingdom on the 19th of September. The ripple effects will go much wider than our own shores. The United Kingdom is not alone in having separatist movements. And Spain, both Catalonia and the Basque country, have declared that they want independence. Catalonia, where a million and a half people marched in the streets, demanding independence, and remember that the Scottish National Party have never had more than 10,000 people at any demonstration. But Catalonia says it will have its referendum on independence from Spain, even if it is in breach of the Constitution of its country. The Basque extremists have only in the recent past backed away from

terrorists, but they are watching Catalonia and Scotland with undisguised interest.

Then there's Belgium, a country at the moment which is held together by a thread. The Flemish nationalists see Scotland as breaking the mold. We are next, if Scotland breaks free and becomes a member of the European Union, they quite openly say. And as if to underline what this means for Europe, despite its manifest claim to nationhood, Kosovo still finds itself unrecognized by a handful of European Union countries, worried about the implications of break away for their own separatist movements.

So I contend that it is far from scaremongering, to use the term Balkanization to predict what might happen if Scotland was to break from its 300 year old union. The fragmentation -- the fragmentation of Europe starting on the centenary of the outbreak of the First World War would be both an irony and a tragedy with incalculable consequences. You know, there is some significance in all of we Scots speaking here in Washington and in New York and the major cities of the United States of America, because the possible independence of Scotland maybe resonates with some who were involved in great battles of the past over here, and some people with no real grasp of history, make a tortured comparison with the American bid for independence from Britain in the 1770s, something that was pioneered by the Scots of course, who had a lot to do with that. Indeed, I come from my title as Lord Robertson of Port Ellen. Port Ellen is a tiny village of 300 people on the west coast of Scotland, best known for the fact that is has eight malt scotch whiskey distilleries, honored, but in 1734 a man called Alexander MacDougall was born just outside of the village of Port Ellen. He became a ship's captain, came to the American colonies, at that time, led the revolt in New York, was imprisoned by the British, became a hero at the time, chaired the great meeting in the fields, was the Colonel of the First New York Regiment. The following year he was made

a Brigadier General in George Washington's forces, and the year after that, was made a Major General -- the top rank in the revolutionary army at that time. During the War of Independence, he commanded at West Point, fought in two of the great battles, was eventually elected to be a member of the Continental Congress and quite remarkably, when the Continental Congress decided it could not run this new country, with a committee structure created for departments of state, with four secretaries -- a secretary of finance, a secretary of state, a secretary of war for the army and the minister of marine, for the navy. And Alexander MacDougall, the boy from Port Ellen, was appointed the very first Minister of the Marine of the United States. And in the brief period that he held that office, before he resigned, saying that he wanted to fight in the war and he wanted to continue to be a general, he appointed John Paul Jones, another Scotsman to be the Commander of the United States Navy, as well. He then saved America from the military coup that was on the cards at the end of the revolutionary war, but since the states would not pay soldiers, he and Alexander Hamilton brokered the deal that prevented a military takeover, when back to New York and was appointed first president of the first cash bank in America -- the Bank of New York. The boy from Port Ellen died at the age of 54, and we have a memorial now to him, just outside that village. So it resonates a little bit, coming here, especially to Washington, to do that.

But another Scot, Sean Connery, who is an independent supporting Scotsman who's domiciled for the moment in the Bahamas, was recently urging Americans to support the Scottish independence campaign. But if he and others who make this (inaudible) comparison understood the history of this country, they might look more relevantly at the civil war, where hundreds of thousands of Americans perished in a war to keep the new union together. To Lincoln and his compatriots, the union was so precious, so important, and its integrity so valuable, that rivers of blood would be spilled

to keep it together. But all the time, let us remember, Scotland is not a colony. It is not oppressed. It's not discriminated against. It isn't disadvantaged. Indeed, it's the second most prosperous part of the United Kingdom outside of London and the southeast of England. And that's largely because we are part of the United Kingdom. We are not persecuted. Scots are prominent, some would say, dominant at every level in British life. We speak the same language. We enjoy the same currency, the same central bank, the same regulatory system, the same public service broadcast and much much more. And at the same time as all of that, we have in Scotland, a legislative parliament which has full powers on health, education, transport, the legal system, local administration, agriculture, land, tourism and practically every other domestic field. We have indeed, as Scots, got the best of both worlds. So what possible justification should there be for breaking up the United Kingdom. What could possibly justify giving the dictators, the persecutors, the oppressors, the annexures, the aggressors, and the adventurers, across the planet, the biggest pre-Christmas present of their lives by tearing the United Kingdom apart?

As I said at the beginning, I fear from time to time, that we Scots are living in a veritable bubble in this debate, and outside of that increasingly fractious bubble, we're losing sight of the fact that our decision on the 18th of September will have much wider and bigger implications than any of us yet grasp. So in the next few months, the people of Scotland have to properly and soberly examine the impact of their decision on the stability of the world. And in that time, the rest of the ordered world needs to tell us that it actually cares. Thank you very much for your attention.

MR. WRIGHT: Lord Robertson, thank you very much for those remarks. I'll allow you to be mic'd up and I'll just introduce myself to the audience. I'm Tom Wright. I'm a Fellow here at Brookings, with the project on the International Order and Strategy. I'd like to start with a comment you made about what possible justification is there for

Scottish independence, because as you refer to, in Catalonia there's a long history of tension between Catalonia and the central government in Madrid, that goes right back to the civil war. In other cases, there was independence involved -- colonies that saw themselves as somewhat oppressed, but it's very different in Scotland. I mean, Scotland has been an integral part of the U.K. for hundreds of years and Scots, as you point out, have paid even a disproportionate role in Britain's influence in the world and originally in the Empire and since then in the Cold War and afterwards. And so my question is, why do you think -- I know you're on the pro-union side of the debate, but why do you think the Scottish people have been falling out of love with Great Britain over the last decade?

LORD ROBERTSON: Well, I think it's important, sometimes, to try and understand your adversary. In my time in defense and in NATO, I always try to put myself in the position of the people on the other side of the table. I was once a trade union negotiator and it was a good technique to do that as well. So I've tried hard to understand the nationalization for separation and a lot of it has to do with emotion. I think a lot of it has to do with confusing the other parts of Britain, solely with wonder. That is, you know, the campaign in Scotland is characterized by the nationalists -- by the separatists, as being wholly negative on the no side. It's very difficult to be positive when you're campaigning for a no vote. But actually the Yes campaign has largely focused on negative criticism of the present government, as if you change the government by changing the country. Yet you change the nature of the politics at a U.K. level by changing the constitution of the U.K. But there has been this sort of buildup of feeling that London is filled with sperves and bonus-paying bankers, and dictating to the rest of the country with housing bubbles and the rest of things, and there's a degree of resentment that's built up over time on that. I think in the rest of the campaign, people will begin to focus on just what the disruption would be involved in doing it, but there is a

degree of emotionalism around, that is whipped up along with criticism of the government. One of the most successfully slogans, it has to be said, of the yes side, is a slogan that says, "No Tory governments ever." As if you change the whole nature of your country and go through the whole process of creating a separate state simply in order not to have a conservative government. Now it's a useful dishonest tactic to use, and perhaps they should remember, the only party in Scotland ever to get a majority of votes in a general election was the Conservative and Unionist Party in 1955. When I was leader of the Scottish Labour party, we got the highest proportion for the Labour party that we'd ever had and that was 46 percent. So instead of talking in terms of keeping out the tourists or whatever, this is not to be guaranteed.

MR. WRIGHT: Well, why do you think though, that the idea of Britain and the sort of pro -- you know, Britain's contribution to the world doesn't resonate more in Scotland? Why has the No campaign been unable to collect on that emotional level? Because there's not a lack of history there -- Britain obviously fought as a unified country in two world wars, the Cold War, and has a long tradition going back but it seems like, that the No campaign is, as someone mentioned to us here at Brookings a few months ago, has no song. The Yes side has a song and an emotion, but the No side doesn't. Why is there that disconnect?

LORD ROBERTSON: Well, I'm not sure that's true. If you looked at the opening ceremony of the Olympic Games last year, the 2012 Olympic Games, it was about the diversity of the United Kingdom. It was about the different elements that make up our multicultural, multinational society. It was -- it resonated with music and with drama, with the National Health Service, with the values that we stand for. And when Andy Murray had the Union Jack flag dropped on him and Chris Hoy -- the sense of British-ness was there. They were competing for team GB. And even at the Sochi

Olympic games, where Britain did better than it's ever done at a winter Olympics -- there were Scots there who were winning medals and were dressed in the Union Jack as well. But over the years, because we are a conglomeration of different countries, each with its own identity, there have been occasions where that identity has supplanted the overall identity that is there. You know, the English flag, the flag of St. George, is more in evidence now in England than it has been for many, many years. Because England qualifies for the world football club when the Scottish team hasn't, and it -- the English -- the concept of England has become a little more alive, so the diversity can be strength, but it can also produce weaknesses as well.

MR. WRIGHT: Right, on the -- you laid out in your speech today, and in articles earlier, some of the detrimental consequences for the U.K. as a whole, but also for Scotland, in the event of independence. Obviously, all of this will have to be resolved in negotiations after a Yes vote, and so London and Edinburgh will sit down and try to resolve this. The No campaign says that the SMP have misrepresented what Scotland will get out of such a negotiation, that Alex Salmond has been overpromising and what he can deliver on any negotiation with the rest of the U.K. If that is correct, and if the negotiated agreement between a newly Scotland post and independence vote and London is much worse than what the SNP says it is, do you believe that the Scottish people ought to be given the opportunity in two years' time to vote on that negotiated agreement? And to have the option of almost reversing any position that they would take in September, or is September the 18th a point of no return? After that the Scots are -- everyone is basically bound in to accepting whatever negotiation would occur?

LORD ROBERTSON: Well, the agreement that was signed by the British Prime Minister and by the First Minister of Scotland, the so called Edinburgh Agreement, lays down that the U.K. will accept the outcome of the referendum on the

18th of September. But I think you outlined a really serious dilemma the people will have to face at the time. The 670 pages of the white paper -- this huge tome that is being distributed at public expense, has no down sides, no risks, no possibles, and is therefore, frankly, a prospectus that would never be acceptable if the company was being floated. It just makes a series of assertions without any qualifications. And the fact is, and I've said this to so many people who at the moment seem puzzled -- you vote Yes, and then the negotiations take place. So you won't know whether you've got a currency union or not, what currency you're going to be using, whether you will be in the European Union, whether you will be in NATO, what will happen to British pension schemes, what's going to happen to the regulatory framework for our huge financial services industry. None of that will be known on the 18th of September. All of it will be the subject of negotiation, and indeed, some of the negotiations will not be led by the Scottish government, because Scotland will not be a country at that point. So negotiations over EU membership and NATO membership and the like will actually be done by the U.K. government. But if Scotland has voted Yes, what happens to ministers in the government, like the Chief Secretary of the Treasury, number two in the treasury who is an MP for the Highlands? What's going to happen to members of Parliament who are presently in the Westminster Parliament? Or the ones who will be elected next year in the General Election? It's a huge gray area, filled with risk, and no great certainties at all, but the Scottish people are going to have to face the (inaudible) if they take a decision, which irrespective of the negotiations, will bind them, and I think most of them will find that to be profoundly unsatisfactory and quite possibly frightening.

MR. WRIGHT: But why shouldn't they have a second -- I mean, why shouldn't they know now that they will have a second bite at the cherry or a second vote, that this will be essentially a vote to give (inaudible) a mandate to negotiate

independence, but then they would have a final say in whatever the terms of that independence would be.

LORD ROBERTSON: Well that might be a logical argument, but it's not what is being proposed at the moment and secondly, the Nationals have resisted it and David Cameron signed up to one decision being taken. So people will have to face that fact, that there will be complete uncertainty on some of the critical areas that we'll face -- the Scots, after the 18th of September.

MR. WRIGHT: Let me turn to one of the topics that gets a lot of attention here in the United States, which is the question of the nuclear deterrent and Trident, and you spoke a bit about this, in your speech. My understanding is all of Britain's nuclear weapons are based in Scotland. We've heard different ideas floated that if there was Scottish independence that London would try to negotiate at basing rights in Scotland -- that's one option. But are there other -- as a former Defense Secretary and head of NATO, what are some of the other options that will be available to the rest of the U.K. to ensure their credibility and survivability of the independent deterrent, going forward?

LORD ROBERTSON: Well, all of the options would be very, very, very expensive. It is not as if the determent was based at Faslane and the Clyde as a punishment for Scotland. It is because it happens to have the characteristics that are required both for the docking of the submarines and for the storage of the missiles, and it's not easy to see an alternative place for that, and that's why I say, effectively, it might mean the unilateral nuclear disarming of the remainder of the United Kingdom. Now that should worry a lot by its effect on global balances, but it's proclaimed by the Scottish Nationals. They see that as one of the benefits of Scottish independence, that they indirectly would be disarming another country, so they've ruled out the possibility of a sovereign base. They've ruled out the possibility, dare I say it, of a Sebastopol type

agreement. They've simply said that within the lifetime of one Parliament, that they expect to see the whole base eliminated from the nuclear site. They claim it will become their major joint headquarters, but at the present moment, 8,000 people are employed at Faslane. No conventional capability is likely to employee anything like that number in the future, but, I was concentrating tonight on the geostrategic implications of them disarming another country.

MR. WRIGHT: But my understanding is there are some, over the long term, there may be some alternative bases in England but it would be very expensive to move in them. Is it the case that there are some alternative options to preserve the deterrent if the new Scottish government insisted on no basing agreement, or is the choice really between the basing agreement and unilateral disarmament?

LORD ROBERTSON: Well, it's difficult. There might be options. But it could be that they would be so expensive to be prohibitive here. I dare say, at some place there could be. That would have to be looked at and the extremity of the decision having been taken, but that is not a preoccupation of the Nationalists, despite the fact that we have opinion poll information that suggests that opinion in Scotland about the (inaudible) is not actually greatly different to public opinion save at the bottom, but it is among certain elites who are determined that they're going to pursue this by any means that is possible.

MR. WRIGHT: In your speech too, you talked about British membership of different international organizations. Britain is obviously a permanent member, one of five in the U.N. Security Council. Do you think that Scottish independence would in any way undermine the legitimacy of the U.K.'s claim on the permanency -- that the U.K. would be somehow a less legitimate permanent member if it lost five million people, ten percent of its GNP, some of its military power?

LORD ROBERTSON: Well there certainly will be some people who will use that as an argument. There is a constant cry from Germany, from India, from Brazil -- other countries that the permanent membership on the Security Council reflects a period in the past that is long gone, and it must be changed. That has always been resisted. It's been regarded as something that would open too many cans of worms, so nothing has happened up to now. But we're approaching the point where a new Secretary General of the U.N. has to be appointed and that's always a time where the U.N. looks at itself to see if it's manageable for the future, and the credibility of the continuing United Kingdom would undoubtedly be questioned, in many cases by people who have been questioning it up to now.

MR. WRIGHT: Can I ask you about the European Union? We've heard a lot in this campaign about Scottish membership of the European Union and whether or not it will be automatic. It seems to me that both sides have it a little bit wrong in a way and that Scotland of course would not be given automatic membership but if it fills many of the criteria, it would be hard even for the Spanish government to object, if they wanted to apply like any other state. But at the same time, Scotland's terms of membership with the current EU are really based on the agreement that Britain as a whole got, in terms of opt out of the Euro, most all accession states have to agree to adopt the Euro at some point in the future and there's a series of other concessions that U.K. has got at the moment that Scotland may not get. What's your assessment of where an independent Scotland would fit into Europe? Would Scotland benefit, in a way, of being an ordinary member of the EU or does it need these sort of special agreements that, some of which you opposed as a -- or Labour opposed while in government, that the Tories have negotiated and the problem with the terms of Scotland's relationship with Europe be?

LORD ROBERTSON: Well I think the key thing is that they want to

negotiate. You're in a situation where the independent Scottish states said, we are already members of the European Union. We satisfy all of the criteria and we subscribe to all of the ACE. We want to be accepted on that basis. Then that would be completely different to a situation where it is being said by the Scottish government that they want to negotiate Schengen. They want to negotiate -- they opt out from Schengen -- the bond of free Europe. They want to opt out of the euro and the condition laying down of new states must be in the euro. They want to renegotiate the Common Fisheries Policy to some higher advantage Scotland and the common elements in the common agricultural policy and they want to share in the rather contentious subject of the British rebate, which tried to equalize out the contribution of the United Kingdom. So each of these things is a negotiation -- so you don't start off from saying, we expect to be taken as we are, because we're already members. And a negotiation means give and take. Now I know a little bit about negotiation. I was once a trade union negotiator in the scotch whiskey industry, as it happened, and I was also a negotiator about NATO enlargement, to the 2002 NATO Summit. So I was negotiating with seven countries who used to be in the Warsaw pact, and three of whom who used to be members in the Soviet Union. And they had to pass certain tests in order to become NATO members. And there were seven conditions that if some of them had not satisfied, they would not have got into NATO nor would they have gotten in the European Union. So negotiation means give and take. It means accepting things, sometimes, that are not convenient or politic or popular. So therefore, any negotiation is going to be difficult, and it will involve 28 other countries saying yes or no. Or, saying we want a little bit of that and a little bit of this. So Spain, at very worst could say no, because it would mean an open door for their breakaway regions, but they don't have to do that. The Spanish have got a wonderful record in practically every other enlargement negotiation of coming in at the last minute with a

demand that is usually acceded to. So what if your negotiation on the common fisheries policy led to you having territorial waters that were half a mile instead of 26 miles. All I'm saying is, it should not be taken for granted that it will be simple or uncomplicated or quick, in order to get in. But obviously you would want to be in, because that's the access to the single market, to the level playing field and to all of the other aspects of the European Union that are so valuable.

MR. WRIGHT: Thank you. I read in -- I can't remember where it was, but I read, when I was reading over your articles over the weekend, I read in one that you said that you talked to members of the defense forces, and that many of them would not want to join -- I can't remember quite what the phrase was, but it was basically -- a subpar army with no expeditionary capability and that they would stay in the British military. You of course, have been a senior politician from Scotland serving in the British government and you would know, I'm sure, many senior civil servants and politicians and business dealers from Scotland working in England. And so my question is, if there is an independence -- a vote for independence -- afterwards, how many of those people who are active, either at senior levels in the British government or the British military -- how many of them would go to work for a Scottish government and move from the British military to the Scottish military -- from the British government to the Scottish government, and how many of them would stay where they are and basically continue to work for the U.K.? Can you talk to us a little bit about maybe the internal angst or just the divided loyalties that may arise in that situation? Because it is sort of unprecedented, that you would have a country as, in many ways, as advanced on the government side, as Britain, with such an integrated system in the foreign policy and military policy, having this sort of dilemma. And at one level, it's a state decision but at another it's very personal, for individuals and people trying to make up their minds. So what would that be like?

LORD ROBERTSON: Well, it's difficult to project that forward. I certainly have spoken to many members of the British army, in the regiments that are going to be amputated from the British army if the SNP get its way, because all of the regiments that have got Scottish in their name, despite the fact that many of them are stationed in England and elsewhere, are going to be basically adopted by Scotland. The existing Scottish regiments -- they're going to reinstate the old Scottish regiments as well, which is a bit bizarre, given the size of their army they're going to have. But the Scots Guards, which is part of the brigade of guards based among them, at the Royal Scots Dragoon Guards, which is a tank regiment, are all going to be preemptively moved. But I've spoken to a lot of the ordinary soldiers who say, absolutely no way -- they didn't join the army in order to become part of some tiny territorial defense force. I've only met one member of the British Armed Forces who I've asked who said he might be tempted but he was a captain in the Royal Navy and he thought he might be the first Sea Lord, in Scotland, so he's about the only one that's the case. In terms of others, well we move backwards and forwards all of the time and then one of our great distinguished U.K. broadcasters is sitting at the back of this hall tonight, and he spends half his week now reading the Good Morning Scotland program in Scotland, and the other part on the BBC's huge flagship Today program from London. We move effortlessly about, and that's one of the great advantages of the United Kingdom. To force people to make decisions would be pretty agonizing.

MR. WRIGHT: But that's in the private -- it's a little bit of a different question though, with the government and civil service military, because there you would have to choose, you couldn't just go back and forth.

LORD ROBERTSON: Yes.

MR. WRIGHT: Right, you could obviously, if you worked for a

broadcaster or a company, you could move back and forth, hoping --

LORD ROBERTSON: Well, no, because, they're going to set up a Scottish Broadcasting Corporation. They're not going to then -- people may buy a subscription as they do in Ireland, to watch the BBC and to watch the favorite programs. These favorite programs all appear in the white paper, in the glossary of the Nationalists. You can still watch EastEnders and Coronation Street if that means anything to people here.

MR. WRIGHT: Vital -- vital issues.

LORD ROBERTSON: Well actually, more vital sometimes --

MR. WRIGHT: Than Trident.

LORD ROBERTSON: Than the huge issues, but that's why it's so -- on one hand, everything will remain the same. We'll still have the (inaudible), we'll still have the Queen, we'll still be in Europe, we'll still be in the area, we'll still watch Coronation Street and EastEnders, on the on the other hand -- you're going to be an independent Scottish state. You're going to stride the world as a great peacekeeping force and keeping out of adventures like Iraq. So that's the sales pitch. But when it boils down to it, people, Scots, when in England, we'll be living in a foreign country. Defense companies in Scotland will find their market, instead of foreign country. And then that foreign country is not necessarily going to buy war ships or equipment from factories that are in what will be a foreign country. And I think your industry in Scotland is beginning to be more noisy about the implications of that and bringing about borders, however soft they are, are borders. And borders create costs and they create tensions and they create problems. So there will be personal, commercial, industrial, social -- all these things will be there, whereas, the British-ness is real. It's tangible. In the Commonwealth Games, there will be Scots, this time running and cycling and jumping as Scots. When they were

on team GB at the moment, but most of the champions in the Olympics who were Scots, either live in England or were trained in England or were part of the sporting family that got the concentration of effort that actually led to the medals being created. So there is a good U.K. narrative, even if it's not heard all that much.

MR. WRIGHT: We'll go I think, to the audience in a couple of minutes, but I wanted to ask you just a couple of questions before we do, and one is on the role of America. So you're here in Washington and you mentioned that there are others here talking about the same issue and this week. I think it was about 18 months ago that the Obama administration intervened in the U.K. debate on membership of the European Union. The then Assistant Secretary for Europe made a statement that the U.S. opposed Britain leaving the European Union and then, a few months later, President Obama made some remark that the European Union was stronger with Britain in it, and that's, as I'm sure you're aware, this created some controversy in the U.K. with some of the press saying that the U.S. should basically stay out of it. My question is, should the United States -- do you believe that the Obama administration ought to intervene in the debate on Scottish independence, if it's going to be as bad for the rest of the world and the U.S.? As you say, should he make a statement, or should there be an expression of the value of the union? And then a related question is, how much of the -- obviously recent events in Crimea and elsewhere are impacted, somewhat indirectly on the referendum? So to what extent are Scottish voters likely to be swayed by the external environment? Will what goes on elsewhere or what others say or how they view the referendum, matter at all, to how they vote? Or is it purely sort of an internal issue, where the issues are everything from Trident to EastEnders to taxes?

LORD ROBERTSON: Well, it's a good question, because the people who say that the outside world should leave internal politics alone, but that, I think, only

applies if the decision that is being taken has no relevance or no interest outside of it. When the statement was made by the State Department official about Britain's membership of the European Union, it became controversial because the people who want to withdraw from the European Union thought that it was controversial. If he'd said we'd be quite happy to see Britain outside of the European Union, these people would have cheered and would have courted it and would have used it. So I don't think that you should assume that just because one side of an argument screams and shouts, that it's interference -- that that is a preclusion to saying it. This decision, as I've said tonight, has huge repercussions, outside of the United Kingdom. We are the second military power in the west. We are a big and a powerful influence in the west. And this is a moment in time -- a particular moment in time. It's not the only moment in time, when the solidarity, of the solidity, of the stability of the west actually matters for all of us. And therefore, for people to see, whether they are pop stars like David Bowie or other real football managers like Alex Ferguson to say, we want the United Kingdom to stay together, doesn't seem to me in any way to be controversial because it affects everyone else. For the Prime Minister of the United Kingdom to say it, for other foreign people to weigh up the implications for them and to say, we'd rather see Scotland remaining part of the United Kingdom, seems to be entirely uncontentious, and actually, quite necessary, if they feel that their interests, and the stability of the world is going to be affected. But of course, if anybody says it -- if President Obama says it, or anybody else said it, the Scottish Nationalist will go berserk. They will create a fuss. They will say, stay out of Scottish affairs.

MR. WRIGHT: Well, would you like -- well, obviously you don't mind if they go berserk, because you've been trying hard to argue against that. Would you like the U.S. to take a stance? Would you call, basically, on the administration to say what its

view is on the referendum, or do you prefer them to remain silent between now and September?

LORD ROBERTSON: I think Britain's allies need to speak out. I think they need to sort of say, this affects them as well -- that this is not purely a domestic matter, even although, it is a decision that will be taken by the Scottish people. They have -- the Scottish people need to be conscious that they're taking a decision not just for themselves and for future generations in a one off vote, but that it also has an effect elsewhere. And people who are affected or think they will be affected have every right to speak out. So I'm not telling foreign governments to do it, but I think your people should examine carefully what the fallout would be from that decision and if it affects them or they feel it affects them, I think that they should certainly say. We live in a very very integrated world, and when you get the situation like the annexation of Crimea, which is part of Ukraine, annexed by Russian, people have a right to feel outrage at that. And the outside world has been utterly vocal. Let me just quote you something. I stood on a platform beside Vladimir Putin on the 28th of May, 2002, in Rome, at the inaugural meeting of the NATO-Russian Council. And a journalist in the audience asked a question and President Putin replied to that question. So these words that I'm going to read out, were said by President Putin not from a script, but in spontaneously talking. He said, "Russian always had a crucial role in world affairs. The problem for our country has been, however, that over a very long period of time, a situation arose in which Russia was on one side and the other side was practically the hole of the rest of the world. Nothing good of that came -- nothing good came of that confrontation between us and the rest of the world. We certainly gained nothing from it." Now that was 12 years ago. But it's interesting that that was President Putin's view. And yet again, he's now found himself in that particular position. But it was right for the rest of the world, to express a

view about what happened. And it's equally right, despite the fact that the decision in Scotland would be taken democratically and will be taken within the context of an agreement with the U.K. government, that if people feel that it's going to affect the stability of the world, that they should speak out.

MR. WRIGHT: Great. Thank you. We'll go to the audience now, for questions, so we have a microphone at the back, so the gentleman just right at the back. And if you could just introduce yourselves, and then ask questions.

MR. HALTZEL: I'm Mike Haltzel from John Hopkins SAIS. Thank you, Lord Robertson for a terrific presentation. I'd like to continue in this international vein and ask a question about what looks like a sort of a surge in populism in many, perhaps, most countries of the European Union. Not only fringe parties, but if you look at the results from the Hungarian national elections yesterday, or even UKIP in the United Kingdom. Many observers think that next month in the elections to the EU Parliament, something like a quarter of the delegates who are elected -- the representatives elected, may be essentially anti-EU. If this happens, and I think it is likely, I'm just wondering, what do you speculate the effect of this rising populous tide, so to speak, would have on the voters of Scotland? Would this be seen as eroding the EU and hence, a bad thing, or a good thing -- and how does UKIP, if at all, factor into this?

LORD ROBERTSON: Well I think that -- so UKIP is another manifestation, I think, of people's disillusionment with politics. That's not unique to the United Kingdom or to Europe as well. The tea party in this country has been a manifestation of a disagreement, disillusionment with politics as normal, so I think we're beginning to see that. You're seeing a much more violent reaction to politics as usual in some European countries, where austerity arising out of the Euro Zone Crisis has produced some pretty nasty new factors in the way things are going. So, will it affect the

Scottish authority? I don't think so. UKIP has got virtually no toe hold in Scotland. The Scottish National Party rose on a sort of tide of populism, on a plague on both houses. Their good result gave them an overall majority in the last Scottish elections, despite the fact that they only got 45 percent of the vote, was largely a case where the disillusionment with the then coalition of Labour and liberal democrats in the Scottish Parliament. So they've sort of mocked up the empty politics vote as it stands at the present moment, and they still retain a degree of residual popularity there. So I don't think that's going to affect Scotland very much. But it can certainly affect the European Union as a hole, because people right across Europe don't seem to think that the European Parliament elections matter very much. You're not voting for Prime Ministers. You're not voting for governments, therefore you can indulge your disillusionment with conventional politics by voting. The only problem is that the Lisbon Treaty and the Maastricht Treaty have all invested in the European Parliament very, very significant new powers, both to initiate and to block legislation. So if these parties are going to have a dominant role in the European Parliament, that's going to have a detrimental effect on the way in which the European Union functions. And that really would be very distressing. And I think disturbing as well.

MR. WRIGHT: Great, thank you. And next question so -- the lady there on the right hand side.

MS. JOHNSTON: My name is Tracy Johnston and I just wanted to say, the Trident issue always is at the forefront of all these conversations, but I know that there are folks in Groton, Connecticut, Hampton Roads, Virginia, and St. Mary's, Georgia, that would love to have those 8,000 jobs. I'm just fascinated where you might have an, "No, we don't want the 8,000 jobs". I mean, when the rubber hits the road, is that really the way they want to go?

LORD ROBERTSON: Well, no, they pretend that the jobs will stay. Because they say they will put the conventional Navy and the mines -- the mine sweepers and the fishery protection vessels will all be in Faslane and that will protect all of the jobs. That isn't credible. It may not even be truthful. But it's what -- that's the picture that they put forward and they play on an emotionalism about Trident and weapons of mass destruction. Now interestingly enough, although the Labour party did very badly in the Scottish Parliament elections, the one constituency seat where we did particularly well, was the one that included the Balkan and the Faslane workers. So in that locality it matters. And it may well be closer to the day -- the fantasy put forward about all of these jobs being protected will actually despair us, as it will be for a lot of the other defense jobs that are critical in the U.K. context.

MS. JOHNSTON: (inaudible)

LORD ROBERTSON: No I didn't. The missile submarines have never run aground anywhere. The HMS Astute, which is a nuclear powered submarine went aground off the island of Skye, due to a missile at that point, but American submarines got a tendency to hit things, bash things, and go aground but they've got, on average, got a better record for not bashing into things that the average automobile has, I would have thought.

MR. WRIGHT: Okay, next question. We'll take this woman up the front please. Just up the front, second row, thank you.

MS. GETTMAN: Thank you, Lord Robertson, very much for being here. I'm Lucy Gettman, American University. I wondered if you could shine a gender lens on some of your analysis. For example, is there a gender gap in the level of support or opposition to the movement, and if so, are there particular issues where this particularly shows itself, such as those we've discussed this afternoon, and finally, are the various

campaigns pro and anti, responding to a gender gap if there is one, and if so, how are they doing it?

LORD ROBERTSON: It's interesting you should say it. The polls seem to suggest that women are less inclined to go for independence, more wary about the cost and that it is men who largely favor it. So there is a gender gap. The deputy leader of the Scottish National Party, Nicola Sturgeon is in the forefront of the campaign, pushed there by the leader of the SNP, who many people, it is said, regard as too macho for the female vote. And they've also introduced a child care strategy in their white paper. It's actually (inaudible). They've got the powers to implement a child care strategy at the moment in the Scottish Parliament but that's, they say, is one of the benefits of having a separate Scottish state, and that's been clearly included in order to deal with that gender gap. The leader of the Scottish Labour party is a woman, and the leader of the Scottish Conservative party is a woman, so you know, there's no lack of gender politics in Scotland.

MR. WRIGHT: Great, thanks. Next question -- this gentleman here on the left side.

MR. WALLACE: Hello. My name's Skiven Wallace, from the Defense Department. Could you, in your comments about the SNP's nuclear policies, you were sort of implying that they're inconsistent with NATO membership aspirations. How then do they differ from the policies that were adopted by Iceland and Denmark and how would the situation of Scotland be different from those countries?

LORD ROBERTSON: There are countries in NATO that don't have nuclear weapons on their soil. That is true. All of the countries in NATO, the 28 countries accept the nuclear umbrella. They accept the strategic concept, which weighs down that as long as nuclear weapons exist, then they need to remain a nuclear alliance.

So there's quite a clear differentiation between countries like Norway and Iceland, who don't have nuclear weapons in their territory, but do accept the role of nuclear weapons inside the alliance. So it is manifestly different to have a country that now says that it will be anti-nuclear, not just non-nuclear, and is willing to expel a nuclear weapons base from a neighboring country and therefore sort of remove it from the NATO armory, because the British independent nuclear deterrent and the French deterrent are both mentioned in the strategic concept as part and parcel of NATO's armory.

MR. WRIGHT: Great. Thank you. This gentleman here in the tie, just at the -- yes.

MR. BALESCO: My name is Jaime Balesco and I am a student at George Washington University. Well, I'm Spanish, from Madrid and I want to ask you something about the National Independence process in Catalonia. There is some consensus that the process hasn't been conducted very well on the part of the Spanish government. There hasn't been a response on the part of the Spanish government to the Catalonian question, as they call it. I want to ask you, even though the Scottish process and the Catalonian process are certainly different, what would you have to say about it and what would you have to say, about how to conduct that process, if you were to talk to a Spanish government official? Thank you.

LORD ROBERTSON: Well, I believe in keeping our union together, so I can see why this Spanish government takes the position that it does. The Spanish Constitution that was subscribed to by all parts of Spain, after Franco, makes it quite clear that breakaways are not permissible. As I say, this country fought a war in order to stop a big breakaway taking place, however much the southern states themselves wanted it at that time. So I'm not in a position to advise the Spanish government in terms of devolution within Spain. It's a very unique constitution. Where I think the Scottish

government find it difficult, is that they try all the time to say that they are entirely different from Spain, that Scotland was an independent country up until 1707, that it's got its own symbols of nation, that it was a nation in its own right and these guys are all sort of fakes, and they're making their case in a completely different land. Again, it sort of ignores history as well. But I think a lot of the genies can be kept in the lamp so long as Scotland remains inside the United Kingdom. And I think the idea that you Balkanize the whole of Europe at a time when globalization and interdependence is so important would be the wrong direction for history.

MR. WRIGHT: Great, okay -- this gentleman here -- yes, thanks.

MR. BRODSKY: I'm Mark Brodsky. I'm a United States citizen, so here's my question. Here we always look for the money in political campaigns. So who's funding the Yes and No campaigns?

LORD ROBERTSON: The Yes campaign has received very substantial amounts of money from a handful of individuals. Edward Muir, the poet laureate of Scotland, died three years ago, and left a million pounds to the Scottish Nationals. A couple of people who leave in Ayrshire on the west of Scotland won 64 million pounds in the Euro lottery and they happen to be sympathizers of the Scottish National Party. It is well publicized that they have given a couple of million pounds to the SNP and may, it is rumored, be going to give them more. And there have been some other individuals who seem to be in that fortunate position as well, to do that. The No campaign has largely had small contributions. All of this is published, so everyone knows. There's no pacts in Scotland. There's no way of hiding. Every donation over five thousand pounds has got to be declared and it's got to be somebody from the United Kingdom that gets that as well. The Yes campaign is at the moment, massively outspending the No campaign.

MR. WRIGHT: Important point is that why -- there's obviously lots of

people with money who would support the No campaign, not just in Scotland but elsewhere. Why aren't they donating money?

LORD ROBERTSON: Well, there was one business man who gave half a million pounds and then found himself at the end of a pretty vicious unrestrained targeting of him and his interests. And I think that particular campaign put off a number of other people who might have been willing to do it.

MR. WRIGHT: Yes, interesting. Okay. We'll take these two gentlemen here, but the gentleman there first. Yes.

MR. LIVINGSTON: My name is Jerry Livingston and full disclosure, I am of Scottish lineage and my family came over here in the 17th century and helped in New York State for MacDougall to free our states from Britain. My question relates to a country that was much involved in those days and attitudes of France toward the possibility of Scottish independence. France helped the Scottish cause in the past and France helped the United States cause as well. I just wondered whether you anticipate any stance being taken by France on this issue.

MR. WRIGHT: We might take the second one together as well, so this gentleman here as well.

MR. CHANDLER: Thank you, Gerald Chandler. Would you go into some detail about the contributions of small European countries to NATO particularly, if we get additional independence in Catalonia, if Belgium breaks up? Would they be treated any differently than say Lithuania, or Denmark or other small countries, and are all of the ones that are currently members of NATO making a big contribution comparable to their size?

LORD ROBERTSON: Some of them make a contribution that is disproportionate to their size. Estonia I think has been seen as being the biggest

contributor to Afghanistan, given the size of that country, but again, we're talking about scale here as well. I wouldn't anticipate that there would be any problem related to size, although the fragmentation of countries, and therefore the scale of the effort that can be given, is going to be very different depending on what the size is going to be, and what the capabilities would be. The design of the Scottish armed forces as outlined by this manifesto masquerading as a white paper, suggests that they're not going to be making contributions of any great size at all, and certainly nothing compared to the contributions that they presently -- that the United Kingdom is able to do. And relations to France -- I haven't a clue. I don't know the answer to that question at all. I'm sure that there are private views and there may well be public views expressed in the near future, but we won't go into the history of French involvement in the American War of Independence, which --

MR. WRIGHT: Okay, just up here in the front, yes.

MR. OLIVER: Thank you, Tim Oliver, at the Center of Transatlantic Relations at SAIS. One country you've not mentioned, but which connects to France, is Quebec, and the implications of Quebec nationalism and really thinking with regards to Scotland. We've seen, even though there have been referendums there, where they rejected independence, this comes back and back and back. And therefore my question is, can the Scottish question, if we can call it that, be answered through a referendum? Or will it just come back in about 20 years' time, if they say no?

LORD ROBERTSON: The Nationalists have said yes, they're going to bring it back. Whether they'll be able to do is another matter, and that depends very much on the outcome. If it's 51-49 or 50 1/2 to 49 1/2 as it nearly was in Quebec, that might make it more certain that it would come back. I was talking to somebody the other day and speculating as to what Mr. Salmond would say if I said, I won't accept 51-49 in

favor of a yes vote, and that I will continue to campaign through the General Election next year of the Scottish elections in 2016 to overcome the vote that was taken there. I can imagine that the abuse that I normally get would be increased dramatically in volume if I did. But I would like to think that the Scottish people will make a decision that will relegate that decision for a very long time indeed. It's got to come out -- the support for independence has rarely been above 30 percent over all of the years that the SNP have been campaigning and even in the five years that they've actually been in government. It's only in the last few months that the picture has started to change a little bit about that, but the residual figure has been 27 to 30 percent, so that 70-30 at the end of the day. I think that should put the argument to rest. I think by and large, people -- a two and a half year campaign, I can tell you -- has tested the resolve.

MR. OLIVER: That's the norm here in the U.S.

LORD ROBERTSON: But it's not us. We have three general election campaigns and two and a half years has, I think, punished people. Our pain threshold is actually quite low when it comes to politics and I think people are pretty fed up with it. They'll gradually as we get closer to September, pay more attention to some of the intangibles, some of the imponderables, and what it actually means to them. But I hope that there for the constitutional question will be put in the back burner. If it's a no vote, then there are new powers that are going to go to the Scottish Parliament anyway. That's part of the consensus that is being developed during that campaign, and that winds up a number of the discontent elements that have appeared in Scotland, but I think frankly, 70-30 would certainly put it to bed. You know, if there were nationals in this audience tonight, I would be reminded of something that I said when I was the Shadow Secretary of State for Scotland, which when I said that devolution will kill the Scottish Nationalist stone dead -- now this is repeated time upon time.

MR. WRIGHT: I didn't bring it up though.

LORD ROBERTSON: Well, that's why I'm bringing it up. Because I've yet to be proved wrong. We'll see. Time will tell.

MR. WRIGHT: You mean that it will ultimately kill it? That the reason that there's not Scottish independence is because there is devolution?

LORD ROBERTSON: Well, a good generalist in Scotland who has declared himself for the Yes vote recently wrote an article saying that George Robertson was right, that what is stopping people going for independence is the fact that we've got devolution and we've got a Scottish Parliament and it's got substantial powers. I think at the end of the day, I think it will do for independence. If the Nationalists continue, they will be a party of devolution, not a party of separation.

MR. WRIGHT: Okay, we've got a bunch of hands, so we're going to take a few together and then you can answer whichever you like, because we've got about six minutes left, so the two women here on the right hand side and the gentleman in the back and the woman over here, so if you could all very briefly ask a question.

MS. BATES: Thank you. Jen Bates, British citizen and supporter of the Better Together Campaign. I'd like to ask you what would be the impact of a split on the economy, both of the U.K. and Scotland.

MR. WRIGHT: Okay, thank you. Just, over here.

MS. WINNING: My name is Kay Winning. I work at the World Bank. I'm from East Kilbride, which is a small town near where you're from. I have a question, somewhat related to --

LORD ROBERTSON: Quite a big town, actually.

MS. WINNING: Quite a big town, the largest town in Scotland, which is only 100,000 people. I have a question, somewhat around the economy. It relates to the

subsidies. Sorry, I studied law at the time when the EU was coming together -- 1999 we were integrating and now I see it start to separate. I'm just curious -- does Scotland joining as an independent member after countries like Estonia, Latvia -- is that going to be detrimental to Scotland, and also in terms of the subsidies from London -- losing them -- what you think the impact of that will be.

MR. WRIGHT: Okay, I think there's two more, so the gentleman down the very back.

MR. LEVI: Thank you. My name is Hermes Levi. I'm from the Occupy Wall Street. You have mentioned the tea party, but there was also here a movement called the Occupy movement that brought in more than a thousand cities in the U.S. and throughout the world including in the United Kingdom. This movement (inaudible) but if you think about it, it was born on September 17th, just like the specific date in the American Revolution. The Scottish referendum is in September 18th. For the people who are initiated, it's meaningful. What do you think about the view, according to which, this is just another attack against the Western population, including if you count the economic crisis, the (inaudible) and all of this but made at the subtle level that people cannot really understand.

MR. WRIGHT: Thank you, and one more over here. Let's bring you as well. Yes.

MS. ORTON: Thank you. My name is Tara Orton and I actually wrote my senior thesis on Scottish secession so that's my interest here. I actually had two very quick questions -- one, geopolitical, one domestic. Geopolitically, I was surprised to not hear any mention of the North Sea Oil and how you think the fallout over negotiations there will impact national security for an independent Scotland or the U.K. if it remains as one nation. And domestically, it seems like the SNP has built up a very strong narrative

of Westminster not understanding Scotland, what with the bedroom tax, et cetera. And I was wondering if there was anything that Westminster, you feel, could do to, in terms of policy, create a stronger argument for its ability to relate to Scotland and prevent that sort of misunderstanding from becoming a talking point for the SNP.

MR. WRIGHT: Thanks. There's a lot on the table there and we've only got a couple of minutes. So don't feel the need to go through each but more to give you a sense of what everyone is thinking. If you just sort of make some general comments and choose whichever you'd like to answer.

LORD ROBERTSON: I think the effect on the economy of Scotland could be quite substantial, if you'd like an objective account of that, then the Weir Group, which is one of Scotland's biggest companies, engineering companies -- I serve on the board, so I declare an interest, but we commission a study by Oxford Economics -- one of the most respected consultancies, into the economic impact of independence in Scotland. It's on the Weir Group website and it's worth reading, because in detail, and quite objectively, it goes over the uncertainties, the intangibles and the certainties involved as well, and comes to a pretty strong conclusion. And there's a lot of industries in Scotland that basically depend on markets south of the border. Standard Life is a big insurance company based in Scotland, employing something like two and a half thousand people. Ninety percent of its customers are south of the border. So they would be in a foreign country and they've said that they've now had to put contingency plans into place for registering south of the border, because that's where the customers are. And if you take British -- the BAE Systems who build war ships for what would be a foreign country, the other big defense industries as well -- there could be a big impact. In terms of subsidies from London, well, in terms of identifiable public expenditure, Scotland has higher payments than they do south of the border. But actually if you take North Sea

oil -- these figures are not terribly convincing in any event, in terms of subsidies, given the nature of Scotland, but some of the recent studies that have come out, have made it absolutely clear, that the deficit with England would be covered by North Sea Oil, which would leave practically nothing else for the oil fund that is going to pay for so many other things as well. So it simply equalizes the balance sheet as it stands at the present moment. North Sea Oil, I didn't mention, but that's another area where the negotiations would be difficult and they would be flawed, because although there is a standard definition as to where the continental shelf is, and where the dividing line would be, that presupposes that everybody accepts it. And given the importance of the oil fields and of oil to the economy, it is not a given that everyone would think that this was a wonderful way of dealing with it. It's another area of negotiation that would be involved with that. And among those who would be negotiating, would be Scottish MPs who happened to be in the present government at the moment. And although, an adage, as you quite right say, is, they don't understand us in England -- we don't get the government that we vote for -- that actually doesn't apply in every election. When Tony Blair won and I became Secretary of State for Defense, England didn't get the government that it wanted, so Scottish MPs can often make the difference, that it's evolved in that. No I'm wrong in that actually -- we did in that election -- in other elections Scottish votes have accounted for that as well. But there is a coalition at the present moment. A lot of us disagree with some of the things that they are actually doing. But you should always remember, in any election, a Scottish election; the Scottish National Party got 45 percent of the vote. So 55 percent of the Scottish population who voted didn't get the government they chose. And given that only half the elected have voted, actually only 22 percent of those eligible to vote in Scotland actually voted for the Scottish National Party. So it's a slightly dangerous double edge sword argument, to say that you didn't get the government that

you voted for and therefore you should change the whole Constitution in order to create a country in which you might get the government that was closer to what you wanted.

MR. WRIGHT: Great.

LORD ROBERTSON: So that was a skim across.

MR. WRIGHT: Perfect. Thank you so much for this really wonderful speech and conversation, and afterwards. We very much look forward to holding more events on the Scottish referendum between now and September, and then of course, afterwards as well. We hope to have you back on future occasions when you're back in Washington to talk about his, but also Ukraine and NATO related issues as well. I'd like to thank you all for coming, and with that we're adjourned.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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