

Thoughts on getting to

The only sensible choice for

Scotland

INDEPENDENCE

BY

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FOREWORD

In exchanges between the SNP and Unionist parties on the issue of the constitution, it would seem that it is all about holding, or opposing, a referendum, with scant

attention given to the matters that will have to be considered by the Scots, including external influences that will come to bear on them, when deciding upon the substantive issue itself – independence.

This pamphlet addresses a number of relevant matters that will need to be considered by Scottish voters, and seeks to bring home to them the absolute necessity of voting for independence if Scotland is to recover from the present long-term economic crisis afflicting the United Kingdom.

It also seeks to persuade the SNP membership that they need to do much more analysis, and engage in much deeper thought and debate on policies directly relevant to the electorate's decision on independence than appears to be the case at present. The SNP, by itself, cannot win a vote for independence. It has to build a coalition of forces if it is to carry a majority, and that requires re-examining policies which, if adhered to in a dogmatic manner, will prevent the forging of a successful coalition.

The SNP is in an intellectual straitjacket of its own making because tactics have replaced strategy. Not since 1992 has the party fought an election in which, unambiguously, it has sought a vote for independence. John Swinney, as leader, explicitly invited votes from people who did not support independence. In the 2007 Scottish Parliament elections, the call was to make Alex Salmond First Minister.

It would appear the tactic is not about to change. In Alex Salmond's speech to the party conference on 17th October 2009, independence was not the main theme. Instead, we had the 'hung parliament' scenario for 2010, with Westminster either hanging from a Scottish rope, or dancing to a Scottish jig. The Holyrood elections in 2011 are, apparently, to be fought on the issue of getting enough seats to carry referendum legislation. In both these cases the SNP campaign will not be for a clear independence mandate.

The word independence is used frequently by SNP leaders and members, yet precious little detailed examination of what is involved in reaching that goal is available. The National Conversation has not, to date, delved into these issues, at anything like the depth required. Despite having an abundance of resources through its MPs, MSPs, MEPs, and research staff, plus money for policy development from the Electoral Commission (£1.06 million since 2001) there is a dearth of written material from within the party bearing analysis of the complexities and converging interests that will have to be surmounted in order to gain majority support for independence.

This is not surprising. With the SNP concentrating on tactical non-independent approaches to voters at elections, a low priority is given to the essential body of work on all matters surrounding the independence issues. The point I seek to make, is that gaining independence is not as simple as holding a referendum. To get a majority in a referendum requires thinking, analysis, choices and education of the Scots voters long before one is held.

INDEPENDENCE

Dedication

This is dedicated to all Mothers, Fathers, Grannies and Grandpas of Scotland who do not wish to see their young scattered to the four corners of the world in yet another wave of migration, similar to those experienced in the late 1940s, 50s and 60s, through lack of opportunity in the land of their birth.

Introduction

The two concepts in this pamphlet are not new, but they have been given, in one case, no attention at all, and in the other not enough attention when public policy is debated rationally in Scotland – a rare event in itself. They are **Scottish state interests, and resource management in the economy.**

In addition, asserted as fact, is the decline of England, the largest component of the United Kingdom. This is something that is difficult for many to grasp, and it is not noted with satisfaction. England's final period of decline is going to be a very unhappy chapter in its history, and there is nothing the Scots can do to prevent it. For us it is the importance of that decline that matters.

I am a member of the Scottish National Party, but not a big N nationalist. My reference points are not drawn solely from what is Scottish, either in contemporary life or history. I do not harbour any sense of grievance about our mismatch on size with England and its dominance on policy these past three hundred years. There is no big English chip on my Scottish shoulder, and my political instincts and experiences of life take my feelings and concerns about others well beyond the border into England and other countries.

I am aware of the attachment to the Union of a number of fellow Scots. I respect them, but think they are misguided, hanging on to something created in the past, but which no longer exists. What I do object to are Unionists who argue that Scotland is too wee, too poor, and the Scots too inadequate to run an independent state. This destruction of self-belief has been damaging to Scots and Scotland for generations, keeping us stuck in a provincial mind set with low horizons of ambition.

The desire for independence is not confined to the membership and voters of the SNP, and I hope my view of the matter may assist others who, like me, are not big N nationalists, to be more forthright in declaring their pro-independence position, whatever party they may incline to ideologically.

Should we ever face a referendum on independence, it will be necessary to reach well beyond the supporters of the SNP as a party. It will also take courage on the part of both groups, those not SNP voters but who support independence, and the SNP, to declare for independence and join a wide coalition. This pamphlet seeks to explain why both must do so.

England always Thinks like a State

Our modern history is littered with complaints about Scotland being ignored in its junior relationship with England. “Anti Scottish” is a favourite claim of the SNP leadership in any dispute with Westminster. This junior relationship rankles. It could not be otherwise. The Union was a triumph for England’s state interests in foreign policy, finally closing its back door to any French intervention in the island of Great Britain, and substantially augmenting the numbers and capability of its armed forces.

(Incidentally, the Auld Alliance with France was never an advantageous policy for Scotland. France got what it wanted, the sometimes serious threats to England, while the Scots got hammered).

The UK was never an equal Union. It could not be, given the disparity in size of populations and interests. English politicians are not and have not been anti-Scottish; they do not act with malice towards Scotland; it is that, when deciding policy they act in their own country’s state interests first.

Although Burns is quoted often about the parcel of rogues in the nation who sold out our independence, given the bankrupt condition of Scotland in 1707, it was probably in Scottish state interests to join the Union. This, of course, is heresy to many nationalists, given the bribery of some in the then Scottish parliament. Anyway, that is history. It is the future that matters.

Scots, including Unionists, become annoyed when England is used, incorrectly, when describing the United Kingdom. In fact, the English and foreigners who do so to this day, are simply copying the many UK statesmen since the Union, who constantly referred to England when addressing UK issues and policies. The language betrays the reality. Whilst finding it necessary to assuage Scottish and, sometimes, Welsh feelings from time to time, the UK has always acted as the English state with Scottish, Welsh and Irish appendages (the Celtic fringe as I have heard it called in the House of Commons).

Take as an example one of the great Prime Ministers, and a former MP for Dundee. In a reference to a campaign for re-armament called ‘Arms and the Covenant,’ during the Baldwin government years, he writes:

“At this time there was a great drawing together of men and women of all parties in England who saw the perils of the future.”

Winston Churchill, p195, The Second World War

Volume I

Here he is again, with reference to a broadcast by the then Prime Minister, Neville Chamberlain on 27th. September 1938:

“While the Fuehrer was at grips with his generals, Mr. Chamberlain himself was preparing to broadcast to the English nation.”

p 283, The Second World War Volume I

Then there was the famous debate in the House of Commons on the evening of 2nd. September 1938 when, with Chamberlain was under pressure, Arthur Greenwood rose to speak for the Labour Party: “Mr. Amery from the Conservative benches cried out to him ‘Speak for England.’”

p362 The Second World War Volume I

Then take Churchill himself as Prime Minister, in a war in which Scots made up a good part of the British armed forces. Here he is in a minute to the Foreign Secretary, 9 July 1941, dealing with a move by Vichy to establish a liaison with the British Government over the position of Syria:

“.....We propose replying to the agent for Petain and Huntziger to the effect that:

1. England has no interest in Syria except to win the war”

p 714 The Second World War volume III.

There are other references to England scattered around in those volumes, not only from Churchill but others in senior positions. ‘England’ is used as equivalent to ‘Britain’ ‘Great Britain’ and the ‘United Kingdom.’ It is a habit that has not yet died, and neither has the reality it describes.

I too use “England” and “UK” throughout this pamphlet as meaning the same thing.

The UK is Still the English State

It is only in recent years that the English have begun to wave the flag of St. George. Before that, they didn’t need to think about their nationality or position within the UK. They referred to it as England. They were not wrong. It is the English state.

The formal adjustment to its framework, through the mechanism of devolution, was an act of that state in response to Scottish, Welsh and Northern Irish grumblings. The English state’s assessment of how much to adjust its policy framework in terms of Scotland, is based solely on what strategic interest our nation still offers. Some elements of that interest are obvious:-

(1)The UK’s permanent membership of the UN Security Council. This was admitted by Alan Duncan, then a Tory front bencher, on a BBC radio programme. He is a character with a refreshing habit of saying in public what should only be said in private.

His logic was that with a miniscule proportion of the world’s population, any further reduction in numbers taken together with a large geographical part breaking away,

would leave the UK looking like a small 'rump' state by comparison with India and Brazil, and thus opening the way to those and other countries' challenge to that seat with its veto.

(2)The Trident base, which cannot be easily moved at low cost, keeps the UK in the nuclear club, and aids its ability to retain its UN Security Council seat. That applies even if Trident it not upgraded.

(3)The retention of Scotland in NATO is important to the UK and its allies. If Scotland didn't exist, NATO would be deprived of its biggest 'aircraft carrier' and northern sea bases. It would be a double-whammy for the UK to lose Scotland to independence. The 'loss' of Scotland would create a huge northern vacuum in the alliance's defence cordon; and would be a UK diplomatic debacle in the eyes of its allies.

(4)Oil is another factor. It is common now, for Unionist propagandists to decry the importance of the 'mature' North Sea oilfields. They are, however, a substantial resource and will remain so for some considerable time.

A BBC Scotland investigation in 2008 showed that experts who are up to date with new technologies for extracting oil, estimate there are between 25 and 30 billion barrels of oil that could still be recovered from the North Sea over the next 40 years. For a UK that is broke and finds it politically difficult to exploit its other asset, coal, that oil is something worth holding on to; especially as there is scope for further development of oil technology in the effort to maximise yield from the small fields.

Given that government documents, released under the 30 year rule, reveal how often UK Ministers lied to the Scots about the importance of oil, it is an astonishing feature of how successful their propaganda has been about its alleged negative value. The Scots are unique, rather like the improbable family that wins the Euromillions lottery, then says it doesn't believe the cheque has any real long term value, and gives it away.

Norway, by comparison with Scotland, has grabbed the windfall, and in 13 years, as well as enjoying and using part of the oil income, built up a fund valued at around £214bn.

From the reasons laid out from (1) – (4), it clearly remains to the advantage of the English state to keep Scotland within the Union, even if that means a bit more power to the Holyrood parliament. After all, as Enoch Powell so rightly stated, devolution is power retained.

Scots Have Long Forgotten to Think in State Terms

Scots once had an independent state. Eliminated with it in the years since 1707, has been the habit of thinking in terms of Scottish state interests. The Holyrood parliament has not Phoenix-like risen as that long lost state. It thinks and acts like the provincial assembly it is within the larger UK structure.

The SNP Government and party is a case in point. Its assertion of things Scottish, the grievances it gives tongue to, the demands it makes, the election slogans it employs about strengthening the Scottish voice, and the only party fighting for Scotland, are pitched within the context of the UK. The economic debate at Holyrood on 29th. October, 2009, illustrates this. John Swinney, the Financial Secretary, made one major point over and over again: that Westminster was not responding to his "plea" (the word he used) to the UK Government to release a further tranche of accelerated capital expenditure. There was no explanation of what could be done were he the Finance Secretary of an independent Scottish Government. In place of independence politics, based on Scottish state interests, we have devolution managerialism.

If the necessity of independence is to be brought home to Scots, then it is essential for leaders to think in terms of Scottish state interests, and articulate the thinking in a dialogue with the people, and thus prompt them to think in state terms as well. For the Scots to think in state interest terms, requires them to understand the reality of the English state and its interests also.

Scots have to think on a higher plane than a provincial one. There has to be a new hard assessment of the condition of Scotland and England, and the drawing of conclusions devoid of emotions that are no longer affordable. Above all, it requires acknowledgement of a hard fact: that whilst individuals can be altruistic, states never are. One just needs to look at how the UK, when deciding its state interests lay in joining the EEC, severed its umbilical links with Australia and New Zealand. The severance was nuanced because of the emotional ties of the people in Britain with those who had fought and died alongside us in two world wars. They were in the language of the day 'kith and kin,' but severed the links were.

Take India as another example of state interests. Since gaining independence, it has been one of the founders of the non-aligned movement, and frequently paraded its morality as superior to the dirty dealing done by the great powers. Now, however, that India itself is looking forward to great power status, and has substantial economic involvement in Burma, it utters not one word of criticism, never mind condemnation, of the junta controlling that country.

Applying the Test of Scottish State Interests

The question to be answered now is whether it is in Scottish state interests to remain part of the United Kingdom, or become one more small independent state in a world where there are many.

Answering that question needs us to address the present and future, not the past. It is immaterial whether Scotland gained from the Union of 1707 or not. I happen to believe that we did gain from access to England's empire, and made a considerable contribution to it. That, however, is all immaterial imperial water under the bridge.

The long relationship in empire has left what Margo MacDonald identified years ago, and again in recent times, as the Social Union of broadly shared values, mutual cultural interests, close cross-border family ties, cross-border business, and cross-border trade unions. That Social Union will continue to exist and is, therefore, not material to the question of whether Scotland seeks independence.

Where the imperial past does matter in the calculation of present day Scottish state interests, is that it is gone, and the English state has gone downhill with it. Dean Acheson was right. It has never found a post-imperial role. It berthed unhappily in the European Union, and yoked itself uncomfortably to the United States as the very junior lieutenant toeing the line of that country's foreign and military policy. Now, as the Obama Presidency has made clear, it doesn't even enjoy that junior role as the so-called special relationship sinks into history. It is the English post-imperial downhill journey that matters fundamentally in any assessment of Scottish interests.

Before and certainly since 1945, the English-UK state has been in decline. This became obvious in the 1950s debacle of Suez, and became even more obvious in the 1960s and 1970s. The talk of Whitehall Mandarins then was how to manage the decline. The first half of Margaret Thatcher's reign seemed to refute that view, greatly helped by the boost from victory in the Falklands (something the UK is not capable of today).

The early and mid Thatcher years camouflaged the reality of decline, but could not do so in the later years. The Blair-Brown decade is now laid bare as a debt-fuelled irresponsibility that, for a long time, disguised the true nature of the English-UK state in the 21st. century – a weak, relatively poor entity, at the nether end of the retreat from former imperial glory. It happens to all empires.

Look at England's main constitutional pillars today, and the decline becomes obvious. The English state's constitutional pillars are Parliament, Monarchy, the Church of England, the Armed Forces, and the Civil Service. Each one is crumbling. Parliament has become venal, and despised. Despite the integrity of the present Queen, the Monarchy as an institution no longer commands the deference, respect and loyalty it once had. Indeed, with the coming final abolition of the right of hereditary Peers to sit in the House of Lords, the basic principle of hereditary that Monarchy rests upon, is called into question. As for the Church of England, it is destroying itself, no longer able to provide the religious cement for the English state. The Armed Forces are so reduced that to provide and sustain even a division-sized contribution to Afghanistan is almost beyond them. The Civil Service has been weakened through being politicised, and is a shadow of its former self.

The reality of a poor English-UK is difficult for people on both sides of the border to come to terms with. The UK establishment in London can point to membership of the G7, G8, and G20. What they avoid pointing out is the decline of the UK in the pecking order of these and other organizations. China, India and Brazil are set on elbowing the UK to the side. The USA, in a clear signal about the redundant special relationship, is asking why the UK has a seat on the board of the IMF. Internationally,

the UK that was is no longer, and the UK that is today is having a hard time defending its former positions of influence.

The UK debt accumulated in trying to deny the reality of decline, and the required adjustments to pay it off, means a steady decline in the standard of living of virtually every family in the land over the coming years.

As Others See It

It is often the case that outsiders see things clearer than those on the inside. Take the view of Mr. Stryker McGuire, contributing editor of NEWSWEEK, 1st. August 2009, in some sorrow as he is an Anglophile:

“Forget the Great in Britain – Its fall was inevitable, but the economic crisis will shrink the last pretenses of empire faster than anyone expected. Even in the decades after losing its empire, Britain strode the world like a pocket superpower. Its economic strength and cultural heft, its nuclear-backed military might, its extraordinary relationship with America – all these things helped this small island to punch well above its weight class.....Now all that is changing Suddenly the country is having to rethink its role in the world – perhaps Little Britain, certainly a lesser Britain.....History has been closing in on Britain for some time.”

If Scotland remains part of this declining UK, we shall decline along with it. So bad is our situation within the UK, that we shall not see a return to 2008 Scottish job levels until 2017 at the earliest. As Bill Jamieson of The Scotsman has pointed out, we can now anticipate a repeat of the late 1940s, 1950s and 1960s – an exodus of the young, who cannot find opportunities in their own country. Given the demographics, this is a matter of considerable importance if Scotland is to sustain a social service for an ageing population.

The dedication of this pamphlet is an explicit appeal to the present adult population to think about the young. I might add here, that they should also think about themselves, because if Scottish society loses its young skilled people, it will not be able to sustain the supportive social services that today's adults will require in old age.

The old Unionist cry that Scotland benefits from being part of the big UK, and we should continue to get the strength of the big country around us, should now be seen as absurd. Scotland is being strangled by the weakness of the big UK.

Any idea that because we have been joined to England for three hundred years, fought wars together, and have inter-marriage links, and should therefore stay in its UK, is an emotionalism Scots cannot afford. As stated previously, the Social Union that is a consequence of this long relationship will survive, and that should be enough to satisfy any emotional need.

It has often been said that those who seek independence think with their hearts and not with their heads. That is the position of the Unionists in Scotland today. Any

hard headed analysis of what is happening to Scotland as a powerless junior partner in a sharply declining England, points to a rapid disengagement, a severing of the political ties.

Just as the decision to create the Union was a matter of states' interest, it is a matter of Scottish state interests to end the Union. The purpose of the modern state, as well as the responsibility for internal and external security, is to act in the economic sphere so as to facilitate benefit to its business base, to its citizens through job availability, high wages, and a well funded social support system. Tied to a declining state, with no real ability to determine policy, it is not possible for devolved Scotland to achieve that purpose. The test of Scottish state interests has only one outcome: it must break free of decline by opting for independence. There is no other sensible choice.

How Scotland Gets Out Of the Economic Hole The Role of Resource Management

By 2010, the UK public debt will amount to £1 trillion (if we are lucky). That spells at least ten years, until 2020, of austerity, with cuts in the social wage offered by public services, and cuts in net disposable income due to tax increases and wage cuts. It means heavy unemployment for years ahead. It means more people driven into the underclass, with no hope of ever working and finding the self-regard and self-confidence that comes out of a well earned wage packet.

An economy the size of England's – 51 million population plus 3 million in Wales – is dependent upon consumer, industrial and services demand. Austerity means that the necessary levels of demand will not be there, which is why economists are projecting a decade of either nil or very low growth.

If Scotland remains tied to that 'demand-led' UK economy, we shall not see our unemployment figures fall, and we shall see our social services cut savagely. We shall be, as has been the case for too many years, entirely dependent upon the economic policies forged by a Westminster Government that will have no alternative but to tax and cut, in order to reduce public debt.

An independent Scotland would not be free of debt. In any negotiations about the split of assets and liabilities, Scotland would have to take its proportionate share of that £1 trillion debt, and would need to both service its share, and repay it. Independence would not be a 'get out of jail free' card.

Getting Some Clarity in the Public v Private Sector Division

To service and reduce the inherited debt will require Scotland's new independent leadership to make difficult decisions in balancing the allocation of resources between the public sector and the needs of the private sector. It is not a simple matter of Public sector v Private sector. There is truth in the argument that if your

run a mixed economy, too much of the economic cake taken by the state, reduces the resources needed by the private sector to create the wealth, and without wealth debt can be repaid, and the community prosper.

But public sector-private sector division is not a simple one. Without certain functions and actions of the State, for example securing the independence of the judiciary, setting clear law on contract and property, building and sustaining infrastructures, combined with key elements of the public sector, the private sector cannot operate. The dustman, the nurse, are two examples of the latter, where public sector activity is essential to public health, which in turn is essential to the welfare and capability of the workforce. The teacher and the school, the colleges and universities, have a significant role to play in shaping that workforce's worth to employers in the private sector.

In respect of the functions of the State, perhaps those business leaders who lecture politicians against interference in the market mechanism, should recall the words of Adam Smith: "It is not from the benevolence of the butcher, the brewer or the baker that we expect our dinner, but from their regard to their own self-interest." It is the pursuit of self-interest on the part of millions of people, individually or through participation in organisations, that creates and drives markets. There is no shame for any participant in that. But as reactions to recent events in the financial sectors showed, and as Professor Michael Sandel in this year's Reith Lectures noted: "we're at the end of an era of market triumphalism.....There's now a widespread sense that markets have become detached from fundamental values, that we need to reconnect markets and values. But how?"

The State has a role to play in that reconnection. There is no equal balance between Capital and Labour. The former is more powerful, even more so today than, say, 20 years ago as the structure of our economy has shifted dramatically from manufacturing industries with large congregations of workers whose solidarity could partly offset Capital's power, to services where organising Labour is more difficult.

Where Labour is weak, then the State has a right and duty to protect it with laws and policies which seek its protection; and the State has a duty to its citizens to act in their interests in balancing activities of business with the common good, an example being the attempt by the SNP administration at Holyrood to cut back on the excessive consumption of alcohol, with all its attendant social evils. For business leaders to cite that action as anti-business, showed a lamentable failure on their part to understand the limitations which must be placed on markets, when to do otherwise is injurious to the community. Perhaps as well as reading Adam Smith the economist, they should also read Adam Smith the moral philosopher.

No Avoiding Hard Choices

An independent Scottish government will have to make hard choices. What independence offers is the ability to take a different direction in economic affairs

than will be available as a devolved part of the Union. So long as macro-economic policy is set at Westminster, no administration in Edinburgh, no matter what it calls itself, will be able to identify and pursue Scottish priorities, or maximise upon any economic potential that does not fit with the framework of UK policy.

Bill Jamieson in another excellent article in The Scotsman (Friday 25th. Sept. 09) has pointed out that, given the size of the public sector in Scotland, there is little room left there for the scale of job creation we shall require if we are to bring unemployment down to a level that does not threaten social destruction to thousands of people. Quite rightly, he identifies small and medium sized companies as the only real engine of job creation available to us; and proposes a radical tax regime that would not only encourage the present group of SMEs to expand, but would also help in overcoming Scotland's poor business start-up rate. There is no chance of any such action by the UK. Only an independent Scotland, facing the reality of the need to create jobs, has the ability to do something radical to reach that objective. There would be no contradiction in encouraging the expansion of SMEs with public policy action via a radical tax regime, provided the Scottish Government's actions of encouragement were recognised by business as within the framework of other policies to promote the public good.

Balancing Demand with Resource Management

What Scotland needs is to balance the influence of demand management with greater emphasis on resource management. To date, we have been tied into the UK's policy of 'managing' the economy through demand. There are reasons why a small nation, on its own, cannot engage in such a one-club policy.

Scotland with a population just over 5 million, does not have the numbers to operate a demand-management system within its own borders. Moreover, the division of the population over Scotland's land mass is another telling factor against internal generation of sufficient demand. Over 3 million of our population lies in the central belt, with the remainder divided into much smaller sub-regional areas. Grampian, for example, with 760,000, Dumfries and Galloway 148,000, some 256,000 in the Highlands and Islands, and 112,000 in the Borders.

An independent Scotland will, of course, be affected by demand – in our trade with UK, Europe and the rest of the world. We have no control over that, just as we have no control over demand affecting us at present as part of the UK. The UK, European, American and other markets in the world will offer opportunities for Scottish business only in relation to the demand they generate in the global economy.

Against that 'global demand' influence on our economy, it will not only be wise but essential to give greater prominence in our policies to resource management. Resource management relies upon an identification of indigenous assets from which products and services can be created, and traded internally and internationally. The purpose of emphasising resource management is to create a far stronger, more robust pillar of the economy than is presently provided. Government can, with its greater ability than any individual SME, sponsor research of the potential of

resources and markets, and thus assist the private sector to create more wealth and jobs from the assets we have.

Economic purists would argue no role is required from Government; that the private sector left to itself should be capable of identifying and pursuing a better use of the nation's resources. That view does not take account of Scotland's poor record in company formation, and the loss of entrepreneurial risk as Scotland became a dependency culture in the post-war years. There is a cultural change taking place towards a less hostile attitude to business, but its pace will need to be speeded up. What I am suggesting is no more than used to happen in the free-market United States, where in trying to help people to decide on whether to go into business, the Government produced valuable information about products and markets.

Scotland's resources can be identified as:-

- (1) Its people.
- (2) Education system.
- (3) Potential in energy generation.
- (4) Land and Agriculture.
- (5) Fisheries.
- (6) Oil.
- (7) The Cities.
- (8) Scenery.
- (9) Topography.
- (10) Geography.
- (11) Heritage
- (12) Water.

A number of the above will come under the umbrella of Tourism.

Let us take examples of what can be done with a more focused resource management policy:

Infrastructure. Faced with the reality of needing to put drive into the economy, it would be sensible for Scotland to ignore the Green lobby, and create a genuine 21st. century motorway system from the Borders to the Highlands, with spurs off to Galloway, Glasgow, Edinburgh, Fife, Aberdeen and North and East Ayrshire, thus shortening distances and so provide an opening up to new investment.

Heads will shake at such an ambitious project. Pie in the independence sky? Not if we take a radical position, sell the present and new motorway to the private sector. It would mean tolls, but how much better to pay tolls than to throttle the economy of the country through a road structure totally inadequate for the needs of 21st. century society and business.

(It might seem strange that someone with a socialist background should consider the privatisation of the motorway system, whilst opposing PFI in the NHS. The two are different. The NHS is primarily about access to medical care, whereas motorways

are primarily an economic tool of development. In any event, ideology should be used as a guide, not a mental harness)

Tourism. Tourism should be seen for what is - an 'export' in situ, of culture, history, scenery, facilities and services. Scotland has some superb hotels, but looked at as a whole, it is an industry fractured in its promotion, deficient in standards of accommodation and the standard of services offered, and in some cases, poorly trained staff. It has good and bad patches. It should be all good.

No company or group would dream of exporting a product range that was patchy in quality. We have to have the same attitude towards the 'export' of tourism.

An improvement in the comprehensive promotion of Scotland; aid to upgrading of hotel and other accommodation; greater emphasis on the professionalism of associated service jobs; providing much cheaper petrol and lorry fuel from the rich resource of oil, would add substantially to the potential for wealth creation of this industry. We could cut present petrol and diesel duty by 50% from present levels, a cost easily made up by oil revenues.

What independence will do, is enable us to think well outside the box that imprisons us in the UK mind set. We are a northern nation, with a large geographical spread, and the cost of fuel duty is a potent factor in restraining our economic development. Oil gives us an advantage to break out our transport and tourist industries from present serious constraints. We can think and act very differently in an independent state.

Education. The nation's human capital is, of course, the most important resource. This has become a cliché, but is nevertheless true. The role of education can be simply stated. In respect of the individual, it is to provide the intellectual stimulus necessary to create a desire among the young, and adults, for knowledge and constant self-improvement. In respect of the economy, it is the foundation upon which all else is built. Wealth is not static. It is consumed and constantly recreated, and it is people who, by employing their intelligence and skills, generate the wealth that maintains society and its needs.

It may be argued that in education Scotland does have independence, in that it is run and controlled by the devolved Scottish government.

There will be, however, a difference with independence. When an independent state has to raise resources before allocating them, it faces an entirely different set of decisions than does a devolved administration parcelling out a block grant. With independence comes absolute responsibility, with no avenues of escape from it.

It is doubtful if that 'new' responsibility will see education rambling along as at present. Questions will have to be asked, and answered, about the funding and international standing of our universities; whether we can keep as many of them without damage to those of the first rank; why we have children who are still 'born to fail' in areas of high unemployment and what is to be done to ensure their talents

do not waste; how to encourage and reward leadership; how to advance science as the aim of ambitious parents and youngsters.

It would serve Scotland well if, through a financial partnership between commerce and government, we launched a specific number of competitive scholarships each year that would cover all costs for university education in science subjects at certain Scottish universities. These should be called the James Clerk Maxwell scholarships, in memory of a Scottish scientist in the same league as Newton and Einstein, a man whom Einstein described as the “most profound and the most fruitful that physics has experienced since the time of Newton.”

If Scotland is to flourish in the new world, where power has shifted permanently to the Asia-Pacific, it must locate itself firmly in scientific and advanced engineering areas of excellence, and provide an edge to all of its business which trades internationally by giving the teaching of foreign languages a higher priority.

Financial Services. Scotland is a world financial centre. The failures of RBS and HBOS is taken as having damaged our reputation for prudent and sound management. If Scotland was alone in such a melancholy situation as has developed over 2008 and 2009, we would, truly, be damaged. But RBS and HBOS were not unique. Over 200 banks have collapsed in the USA, and even Germany has had to engage in bail-outs. Scotland is no more damaged than elsewhere.

There remains a considerable size of our financial services not damaged in reputation. We are still in the top 5 in Europe for funds under management - £580bn; £685bn is the total figure for asset servicing; while insurance and pension fund management handles £726bn.

It is what we do in enhancing the educational and skills level of our people, and how attractive we make Scotland to international talent, that will determine how successful we remain in the face of new competition. The decision on currency for an independent Scotland will be a vital one.

Fisheries. The Common Fisheries Policy has decapitated much of the Scottish fishing industry, although we have a large onshore ‘fish farming’ sector. There is a worldwide problem of fish stock depletion, against a rising demand as the world population increases. Scotland, with its extensive waters should be in a position to benefit from this phenomenon. It will only be possible to do so, however, if we are independent, and if with the power of choice that gives us, we join a multilateral organisation that does not eliminate our sovereignty over this resource. (See p14 below).

Small States Can Be More Successful

There are economic advantages for both large states and small ones, as can be seen from the respective performances of Germany (80 million people), Norway (4 million

people), and Denmark (5 million). There are no advantages in size in a large state in decline, such as the UK.

Scots should appreciate that in breaking free from the UK, we shall be a small state with considerable economic resources, far in advance of most other states of similar size. We shall have the unique advantage that attaches to small states – the ability to be versatile, and, like smaller ships compared to giant carriers on the ocean, the ability to turn faster from problems and towards solutions than larger units.

It is easier for a policy produced by the government of a small state to follow it through, and see that it is implemented, than it is for the government of a large state which has to rely upon remote levers as its instruments. Moreover, a small state can exercise both macro-economic policy and micro-economic management much more easily than can a large state. The distance between the centre of policymaking and the points of implementation is much shorter, and the true picture is clearer, more quickly, in a small nation than in a large economic entity.

The alleged disadvantage of an independent Scotland, that is too small to break away successfully from the larger United Kingdom, is false. Scotland's size, the reach of its government, the ease of measurement of policies, and the easier access to government for business, will be a great advantage in creating wealth from our resources, and backing business in its effort to trade internationally.

Much has been made of Alex Salmond's 'arc of prosperity' to describe the small nations of Ireland, Iceland and Norway, when the first two fell into serious economic difficulties. The gibe about the 'arc of insolvency' is standard Unionist fare. It should be noted, however, that Norway, Finland, Sweden and Denmark did not fall into anything like the black financial hole that the UK did.

Nothing that happened in Ireland or Iceland undermines the basic premise that small is versatile, and has shown, over many years, that it is more likely to be a successful economic unit than a large state. Ireland's inability to manage its economy properly in the short term, had nothing to do with size, and everything to do with being tied in to the Eurozone, where it could not adjust its interest rates to forestall the crisis that everyone could see was building up.

It now transpires that Unionist smirks about Iceland were a little premature. That small state is turning itself around faster than the UK. It has increased exports by 11 per cent over the last year.

"Iceland will be back in surplus by next year, from a peak deficit of 25pc of DGP....Reykjavik is over the worst." (Ambrose Evens-Pritchard, Daily Telegraph 27 July 2009.)

Scotland in Europe

EFTA is the Better Option

It is taken for granted in the debate about independence that a key issue is Scotland's position within the European Union; with the SNP stating that continued membership will be automatic, and Unionists arguing that is not so.

Without rejecting the core of the SNP policy of 'Independence in Europe', there is an alternative to the EU – membership of EFTA, a much more attractive proposition than becoming the 28th. member of an increasingly centralised semi-state in its own right.

The genesis of 'Independence in Europe' lies in a speech I made, as a Labour MP, in the House of Commons on 4th. February, 1975. I was opposed to UK entry to the EEC, but took the view, expressed for the first time, that if the UK was irrevocably committed to membership then, to make the best of what I considered a bad job, I favoured a separate Scottish state within that European institution:

“...if we are locked inside the EEC I would not argue that Scotland should come out. That is, perhaps, some comfort to my hon. Friend the Member for West Lothian. I believe that we should retain our close links with the other people in the British isles but I would certainly argue that it would then be in the interests of the Scottish people to have direct nation-state membership of the Community. If we are foolish enough to continue inside the EEC it might be time to write a new verse to an old song.”

The idea of Scottish state membership was developed into a detailed policy by myself and comrades in the SLP in 1976, and later, in the mid-1980s, was adopted by the SNP, and has been the cornerstone of its independence policy ever since. It is time it was re-assessed, and an alternative not available in the 1980s, examined and adopted in its place.

The EU today is a far different animal to the one when SNP policy was framed. The powers of its central institutions over its member states, and the enlargement of membership have changed its character completely. The Lisbon treaty will concentrate even greater powers on the centre, with a concomitant transfer of sovereignty by extending majority voting over a wide range of policies.

If Scotland is to seize the opportunity that will come with independence to repair its economy, and overcome the deficit of inherited debt from the UK, then it must be able to exercise the maximum sovereign powers. The maximum power necessary is not available in today's EU. Scotland must, therefore, look at the alternative, which is EFTA – a much better political berth.

EFTA

There are a number of reasons for choosing membership of EFTA. One is to remove from the debate the efforts of the Unionists to insist that independence will isolate

Scotland from Europe, leaving our trade and economy in a deadly limbo. This is a stratagem to terrify the electorate, and is based on the assertion that an independent Scotland will be expelled from and refused membership of the EU – thus jeopardising thousands and thousands of jobs.

A flavour of this can be seen from the Daily Mail front page on 12th. September 2009, just a few days after the SNP government published its document on ‘Europe and Foreign Affairs.’ “SNP warned plan to join EU faces veto” was the strap line, followed by the headline: “SALMOND SLAPPED DOWN BY BRUSSELS.”

The European Commission was quoted: “In principle, the Commission would give an opinion that Scotland could enter the EU because most of the European directives are already in force through the UK....But in practice, it would have to go through every country’s parliament.....One can legitimately expect that Spanish politicians in Madrid would want Scotland to have a bumpy ride....The notion that Scotland becoming a member state is seamless is highly optimistic. There’s nobody in the world who knows how that would work.”

Labour MP Michael Connarty, Chairman of the House of Commons European Scrutiny Committee commented: “If Scotland broke away from the UK it is most unlikely that the rest of Europe would all vote to allow Scotland to join.” He was backed up by Tory deputy leader , Murdo Fraser MSP. Isn’t it ironic that they and the Commission are happy to see Scots soldiers fight and die for the principle of democracy in other countries, but would seek to punish Scotland if it votes in a way they do not like?

One can anticipate that the SNP and the Unionists will continue to engage in legalistic debate about how the EU can, or cannot, expel the Scots it claims are its citizens; and no doubt the Unionists will be able to conjure up from Spain or France a voice that will cry ‘No Entry.’ No one can win that debate until it has to be proved one way or the other by the reality of independence. Far better get out of that area of dispute, and take another road that guarantees being in Europe: that road is membership of EFTA.

The EEA Agreement invites a re-think of SNP Policy

The European Free Trade Association was weakened by the withdrawal of the United Kingdom as a consequence of its membership of the EEC in 1973, leaving that organisation with only Norway, Switzerland, Iceland and Lichtenstein. It was not until 1994 that EFTA and the EU formed the European Economic Area with membership of all 30 states in Europe, minus Switzerland. (The EEA embraces only the EU states, Norway, Iceland and Lichtenstein, as Switzerland has its own separate agreement with the EU).

The formation of the EEA, with its open and equal free trade access for EFTA states to the EU, and vice versa, means that Scotland, by joining EFTA, would lose nothing

in terms of access to the European market, but would retain full sovereignty in other areas important to our economy.

I anticipate critics of this new policy to point out that Iceland has made an application to join the EU, thus weakening EFTA. The reality is somewhat different. There is no certainty that the Icelandic government's EU application, as a reaction to the financial crisis that seemed about to ruin the country, will be endorsed by the people in a referendum. As Iceland's people regain their self-confidence it is by no means certain they will throw away one of their great valuable resources, fisheries, to join the EU when they do not, under EFTA rules, need to do so.

In any event, should Iceland accede to the EU, it will not alter the status of the EEA as Iceland is already a member. Nor would it alter Norway and Liechtenstein's position within the EEA, or weaken the EFTA component, especially if Scotland took Iceland's place.

The EEA-EU Linkage

There is, of course, another argument to be anticipated from the Unionists. Under the EEA, whilst Norway, Iceland and Liechtenstein have rights of representation at EU institutions when policies are being formulated, they must bring their own laws into line with those decided upon by the EU, without the advantage of having a vote when EU final decisions are made. 'So, what is the point of being in EFTA when you have to do what the EU tells you?' is the critics' main point.

Alignment with EU legislation is the price EFTA countries pay for the free trade, free movement of capital and labour, they have with the larger organisation. In a de facto way, the EEA arrangement impinges on EFTA states' sovereignty in that they are obliged to comply with EU legislation, but there is no transfer of sovereignty. As EFTA points out: "The EEA EFTA States can negotiate adaptations to Community legislation when this is called for by special circumstances and agreed by both sides."

Under "Chapter 2 of the EEA Agreement - The Decision-Making Procedure," the EFTA states have a right to be involved in policy which may affect them within the EEA, and the Articles under that part of the Agreement show that the EU is dealing with sovereign states, whose national interests have to be taken into account.

There is, in this EFTA-EU relationship, an additional factor that the EU has to take into account: that EFTA states, particularly Norway, make a substantial contribution to enhancing the EU's efforts to boost the beneficial effects of structural funds. Norway is not a beggar at the gate, but a source of capital to EU states that are in particular need of aid.

The EEA Agreement commits Norway, Iceland and Liechtenstein in the period 2004-2009 to contribute 1.3 billion Euros to structural funds within the EU, as a way of helping the most recent entrants to the EU develop their economies and thereby strengthen the whole of Europe economically, and so widen opportunities for business inside the EEA market area. Fifteen EU members who are beneficiaries of

this programme contain 75 million inhabitants. Norway contributes 97% of these funds.

The EFTA based fund is not, as is the UK's EU budget contribution and part of its international aid fund, handed over to the EU for disbursement. The EFTA funds, coming from sovereign states, are handled through their Financial Mechanism Office which is not part of the EU administration, and which deals individually with the beneficiary countries. Scotland would be expected to contribute to these structural funds through membership of EFTA.

This sovereign nature of EFTA states is not a matter of semantics. There is no EEA EFTA involvement in the following EU policy areas: Common Agricultural and Fisheries Policies; Customs Union; Common trade policy; Common foreign, security, justice, home affairs; single currency.

The EFTA states' sovereignty remains intact. They may, or they may not, choose to co-operate and closely align their policies with the EU on matters outside the scope of the EEA – on environmental matters for example. But if they do, it is an exercise of sovereignty, done in the greater interests not just of the European community, but of the global one.

The Exercise of Sovereignty

As an example of full sovereignty on trade, the Norwegian Foreign Minister, in his latest report to the Storting, noted that his country was in dispute with the EU over its attempt to ban seal products, and that if no solution can be found in bilateral negotiations, Norway would exercise its right to table a complaint against the EU at the WTO, where Norway, unlike EU member states, acts in its own interests. The EFTA states are quite free to make their own trade agreements with the rest of the world, and are presently engaged in free trade discussions with India and Ukraine.

A significant advantage for Scotland in EFTA as distinct from EU membership, would be the new situation of absolute sovereignty and control over our fishing grounds, and withdrawal from the EU Common Fisheries Policy which has been such a disaster for our fishing communities. Scotland would be able to revive a vital resource, both for those engaged in catching and those engaged in processing. A by-product of EFTA membership would be a major problem for the EU, with the disappearance of substantial waters from its Common Fisheries Policy.

One has to ask what is important for Scotland in balancing membership between EFTA or the EU? Our relationship with the EU is vital in only one thing: retaining access to the EU market for our goods and services which we presently enjoy. That can be accomplished by membership of EFTA, with the added bonus that in certain areas, not only fishing, we can do what we Scots think is necessary in our interests and those of others whom we wish to aid, without needing to fight any corner in a Brussels that is now overcrowded, and where compromise of national interests in almost all things, is the only way the EU can operate.

What About NATO?

“No man can set the bounds of a nation,” is a slogan that sets an SNP conference on fire. It is, of course, nonsense as world history, particularly in the 20th. Century and the early years of this one demonstrate only too plainly.

Small size nations, and larger ones too, are often constrained on policy due to the proximity of a near or larger state, whose own state interests limit those of its neighbour. Finland and Sweden are good examples with both considering it prudent to assume neutrality during the Cold War, because of their proximity to the Soviet Union. Whilst both are members of the EU, neither is a member of NATO to this day as Russia, which remains their large neighbour would not judge it a friendly act. The Irish Republicans’ compromise on the then Free State and partition of the North in 1922 with the larger and more powerful group, at that time, the British Empire, was the best they could do.

Georgia, Russia, the USA and certain European states present another example of powerful interests bearing upon a smaller state’s ambitions. Georgia wishes to join NATO, as it sees Chapter 5 of the Charter – requiring all members to come to the aid of one against whom aggression is committed – providing it with a strong card to play against Russia, whose sphere of influence it finds itself in. It is not, however, in the United States’ interest to tangle with Russia, nor that of Germany, Poland, Czech Republic and Hungary, so, while lip service, especially by the USA, is paid to Georgia’s democratic right to join whatever organisation it wishes, there is no entry card to NATO.

Scotland does not lie outside spheres of influence. Scottish nationalists must recognise that although the SNP will negotiate the terms of independence with the UK, there will be others with an acute interest in the outcome, and the final position of Scotland in foreign and related defence policy. Whilst the United States now places higher priority on the Asia-Pacific region than with Europe, it nevertheless retains a strong interest in the maintenance of NATO. Germany, France and other EU-NATO members, and Norway, also have a stake in the alliance and the integrity of its geography.

Scotland geographically is crucial to NATO’s integrity and capability. Scotland is NATO’s biggest ‘aircraft carrier,’ from which the alliance can control any attempted incursion into the Atlantic sea lanes. It is no small matter to render that ‘aircraft carrier’ a neutral, and leave a huge and deadly gap between the North Sea and the Atlantic; and it would be naive to believe that any serious attempt to do so would not arouse considerable hostility among members of the alliance. A hostility that is bound to be a factor in any referendum campaign.

The Need to Recognise other States’ Interests

There will be an understandable difficulty within the SNP (to put it mildly) to now question the long standing policy of rejecting membership of NATO because of its

reliance on nuclear weapons as a final deterrent. For many Scots, not only members of the SNP, the existence of the Trident base on the Clyde is an affront.

There is, however, a difference, a most important difference, between a party policy framed in opposition during the Cold War when the Clyde would have been a key Soviet target, and a policy held by a putative government that has to face the consequences of applying it.

SNP members have to understand that a small nation state faces limitations if its actions run counter to what others regard as their essential interests. The party also has to take into account this rather obvious fact: that the SNP needs to get to the negotiating position of a state, before it represents a state. To do that, it has to win a majority to negotiate, and it is in the run up that objective that the party is in a vulnerable position, opening itself to attacks by Unionist opponents, if its policies conflict with the interests of a number of NATO states.

The SNP has to ask if it is wise to pitch itself against the interests of so many others, as well as those of the UK, whose legitimate anxiety about retention of solidarity within NATO will give them cause to say something along the lines of: "That whilst the decision about independence and revoking NATO membership is, of course, for the Scots alone, the breaking away from the alliance will not be welcome, and will have adverse affects on Scotland's position internationally." That kind of statement would carry a clear warning, that the Unionists would use as damaging ammunition about isolation.

The SNP membership has to ask itself whether adherence to a policy forged in the depths of the Cold War, is worth holding onto in a world that is now fundamentally different, if it arouses too much international opposition, and thereby undermines the main objective of gaining votes for independence?

And so....What About Trident?

The question of the Trident base has also got to be answered. As it is physically located in Scotland, the Trident base and all other MOD bases and properties would be Scottish assets in the division of real estate between the new Scotland and the UK. It is what Scotland does with those assets that matters.

The air base at Lossiemouth, for example, would be able to continue in operation if Scotland remained as part of NATO, operated by a Scottish Defence Force air arm as a contribution to the alliance. But what of Trident? For the United States and other members of NATO, the issue of Trident would not be a matter of concern. Every member of the alliances knows that the UK's so-called independent deterrent is not independent, but dependent upon the United States; and that in the scale of military nuclear-power, its disappearance would not alter the world balance to any great extent.

Trident is of no importance to NATO or to Scotland. Its importance to the UK is political. Being a nuclear power is about the only claim to a legitimate position as a permanent member of the UN Security Council that the UK (and France) can produce. That UN Security Council seat is a vital state interest for the UK, and should be recognised as such by SNP negotiators. Lose the seat and the decline would be manifest, and totally humiliating. Stripped of the UN seat, the UK Foreign Minister would have as much standing in world affairs as that of Belgium.

Given the importance of Trident to the UK, and given that we have endured the Clyde base for many years, ever since Polaris times, the retention for the UK of the Trident base, for a limited time, under lease, should not be an earth shattering compromise to make for the sake of gaining a clearway to independence.

This again will be regarded as heresy by a substantial part of the SNP membership. But, if the party is serious, really serious, about removing obstacles to that majority vote for independence, then it will see it is time to reconsider.

I do not underestimate the genuine moral revulsion felt by SNP members about nuclear weapons, nor the offence felt that we in Scotland were, during the Cold War, always the first target in a nuclear exchange. I share that view. It is not realistic, however, to expect the UK to shift its nuclear base in a short time. There would have to be a period, during which it would establish an alternative location in England. That would not only be an advantage to the UK, but to the new Scottish government: it would provide a breathing space in which to build up alternatives at Faslane for the workforce there, and the local communities whose economies are tied into the base.

The Currency Question

The currency: a subject of supreme importance, as any Irish minister might tell you in private. England will be our biggest foreign market. It certainly represents the biggest European market for Scotland's financial services sector, and companies who trade with England, Wales and Northern Ireland at present. It would also be important for the tourist industry.

The lesson of the Eurozone periphery countries must be learned in any discussion about the currency of an independent Scotland. Ireland, Spain, Portugal and Greece are being crucified (the term used by a Portuguese economist) by the one-policy-fits-all monetary regime.

Taking account of the tradable services and goods from Scotland to the UK, for some time after independence the Scottish central bank would have to align the Scots pound, if not exactly, but near to that of Sterling. There would be no room for macho Scottishness on this.

When the SNP had a rush of blood to the head, prior to the 1979 referendum, it declared that the Scots pound would be worth twice that of Sterling, and attacked

people in the financial sector who decried such a circumstance. The attack produced a rebuff by way of a letter, in *The Scotsman*, 7 July, 1978, from the then Chairman of Associated Life Offices. Here is an extract:-

“.....in certain circumstances Standard Life would be forced to move its head Office to England..... Life offices pay their expenses out of loadings in the premiums they collect. About 80 per cent of the loadings received by Scottish Life offices came from England and thus would be paid in English pounds, but because they have their head offices in Scotland, about 70 per cent of their expenses would have to be paid in Scottish pounds. It doesn't require much financial acumen, though obviously a little more than appears to be possessed by certain SNP politicians, to see that if the Scottish pound appreciated against the English pound then the time could arise when a Scottish Life office would have to move its head office to England. Incidentally, the same arguments apply to any kind of business operating from a base whose sales are predominantly south of the border.....”

The terms of that letter remain valid today. Whereas the political disengagement of Scotland from the UK is an immediate reality upon independence, the trade engagement will remain, with the wider diversification of Scotland's foreign markets taking time to develop. This need to closely align currencies with our biggest market, does not mean Scotland would be unable to exercise an independent economic policy.

Far from it, freed from accepting macro-economic decisions from the UK, we would be able to pursue our own monetary policy, pick our national priorities in terms of allocation of resources between the private and public sectors, shape our taxation system to suit our employment objectives, determine our own company laws, research support for business, labour laws, and create a social support system that did not sink thousands upon thousands into a dependency culture, which is one of the curses on Scotland's society today.

A Scottish Foreign Office

A sensible government, upon independence, would take time to build up Scottish diplomatic missions. I am aware of the suggestion from SNP Ministers that our Ambassadors should become lodgers in UK embassies. That is not sensible. If Scotland is to make its mark, then it must do so with its own distinctive stand-alone embassies and consulates.

In any case, having some experience of UK ambassadors in a number of countries, I think it unlikely that they would agree to another independent state sharing their facilities. It would muddy the waters of their UK representative role, not mention the delicate matter of possibly compromising the MI6 members of their staff whose work requires a proper diplomatic disguise in that role.

Given the importance of rebuilding the economy, the most sensible immediate policy would be to establish Scottish embassies and consulate representation in

those countries that are target trade markets, staffed principally by people with experience in international trade.

There are a number of former senior diplomats who are Scots, living in Scotland, who could be engaged to establish the Scottish Foreign Office; and Scottish Development International (a joint venture between the Scottish devolved government and Scottish Enterprise) already has a number of trade missions with experienced personnel in countries of importance to Scottish exporters. These are easily convertible to embassies and consulates. These are located in:

Australia - China Beijing - China Shanghai - China Hong Kong – India New Delhi India Mumbai – Japan – Korea – Singapore – Taiwan Germany, Paris – Israel – South Africa – Moscow – London Canada – Boston – New York – Chicago – Houston – West Central Region

It seems to have escaped the notice of Scottish opinion that while our nation contributes to the UK Foreign Office and its embassies abroad, and to the International Development Department, outside of the latter's HQ at East Kilbride, we gain no benefit in jobs. The proportion of the Scottish cash that presently flows into these UK departments would be available to establish our own network of embassies, and representation at international bodies.

A benefit that will flow from independence is that Scotland will be hard-wired into the international community. For the first time in three hundred years we shall be required to debate the geopolitical factors that clash with ethical and moral precepts in shaping how we see the world, and how we connect with it. Independence in foreign and aid policy would bring a new, refreshing, stimulating and challenging dimension to Scottish political life.

Defence

It is amusing that when the SNP mentions a Scottish Defence Force, Unionists smirk as though this was a strange Ruritarian notion, while at the same time taking pride in the disproportionate contribution that Scots make to the British army. If Scots under arms are not only acceptable, but lauded in the UK, it seems reasonable to state that they would make a sensible contribution to our defence and to any alliance that an independent Scotland was involved with.

An independent Scotland will be no different from other small Western European states. It will have interests to defend, and there are easy comparisons to make with Norway (facing similar issues with the security of its oil asset offshore) and Denmark. Both have sea, air and ground forces, including special forces, in accordance with their perceived needs. Norway has a large number of frigates, whereas Denmark has frigates plus a number of smaller patrol vessels. Both have aircraft, helicopters, and ground forces.

Either in or out of NATO, an independent Scotland will have no enemies from among other nation states. Invasion is not the problem. We shall not, however, be free of

risk to domestic safety and peace, in a world where global terrorism exists, and we shall have vital oil assets in the North Sea that will demand security, and, if we are in EFTA, much more significant fisheries to protect.

There has been no substantial and prolonged debate about an independent defence policy. A Scottish Government publication on 16th. June 2009, as part of the National Conversation, has only three paragraphs on defence, squeezed in between a much longer piece on broadcasting and democracy. On defence it states in emphasis: "Scottish defence forces would help prevent and resolve conflicts elsewhere in the world, and further peace with due respect for human rights." This sounds pious, harmless stuff, but it implies a defence policy with a significant foreign involvement; which in turn has consequences for the size and scope of a Scottish Defence Force.

If there is to be, on top of the defence and security needs of the homeland, a commitment to preventing and resolving conflicts elsewhere, what is to be the size required, and what is to be the extended logistical support, and additional finance, needed to sustain troops abroad in conflict zones?

I am not as certain as the SNP Government of the wisdom of getting Scottish defence forces embroiled in what would have to be multilateral engagements. Prevention and resolution of conflicts through military involvement may require fighting, and as well as the probability of deaths of young soldiers, it means additional expenditure in the replacement of equipment damaged or lost.

Perhaps we might reflect on the fact that far too many young Scots men and women have been killed abroad through military service; and that it might be best for them to remain at home, building up a good homeland security infrastructure, before any more foreign adventures are entered into. The UK's experience in Iraq and Afghanistan should be a salutary lesson for those who believe Western troops necessarily make a contribution to peace and security in the countries where they intervene.

The Parliament

Independence should not mean the transfer of sovereign power from Westminster to the present Parliament as presently constituted at Holyrood. There might be a transitional period in which power is vested in Holyrood, but any discussion about independence must have, at its heart, how we shall conduct our civic affairs, and the kind of Parliament we need as the principal institution of state.

The present system for election to Holyrood is seriously deficient. The closed list for regional members provides, not the electors, but the party leadership with the power to determine who is elected. The Holyrood parliament is notable for the lack of dissent on the backbenches of all parties. It is impossible to believe that there is such internal unity. If there is, it would be quite unique among democratic gatherings of elected politicians.

The reason for this unusual 'unanimity' is that the closed list system is wide open to manipulation by the formal party machines. Cross the leadership, or refuse to toe the line in all things, then down the list you go, to political oblivion. To maintain a high position on the list, the key qualification for getting a seat in the parliament, the MSP must show undying loyalty. That is not a healthy system.

What Scotland needs is a system that makes the electors supreme, and MSPs with a manageable electorate to serve. This can only be done through 'tying' each MSP to a constituency for election. A PR system based on the transferable vote in multi-MSP constituencies (3 to a constituency) would ensure a parliament truly reflecting the views of the people, and a closeness between electors and their parliamentary representatives.

Then there is the question of numbers. The present 129 members at Holyrood would not be sufficient to cover the new range of responsibilities that independence would bring. Norway has 169 MPs. Denmark has 179. Ireland has a lower house of 166 and a Senate of 60 members. An independent Scottish parliament of 160 MSPs would seem about right. That would produce an overall saving on salaries and additional costs, taking account of our exit from Westminster and possibly from the EU Parliament.

Conclusion

Nothing to Fear Except The Myth Of Our Own Inadequacy

This pamphlet has sought to bring into the debate about independence, the twin ideas of Scottish state interests and resource management. It is likely to be more controversial within the SNP than among the public in general, because of the comments on NATO and Trident.

Many in the SNP hold the view that because it forms the 'government' at Holyrood, it is a governing party. It is not. It's description of itself as a government is a device to build credibility. The reality is an Executive of an administration bound hand and foot by a block grant of cash; and it is evident that a great deal of SNP ministerial energy is spent on trying to make its distributive decisions as equitable as possible. In seeking those goals, a devolved administration thinks in terms of balancing competing demands from sectional interests, not in terms of state interests. It is time the SNP started to do the latter.

One absurd feature of the Scots is the readiness with which so many are willing to believe that they are incapable of governing themselves. The Unionist case that Scotland is too small, too poor, too subsidised, to go it alone has captured the Scottish mind, and allowed the nation to be robbed of its resources of oil, fisheries, and young people.

To date, Unionism has kept the independence movement at bay by creating and spreading, and imprisoning the Scots, in the myth of our own inadequacy. It is time to break free of that myth.