ANDREW MARR:
Well as you’ve been hearing, the union between England and Scotland has lasted more than three hundred years, but some people think its days are numbered. There’s going to be a referendum in the next couple of years; and if Alex Salmond has his way, the question put to voters there will be: do you agree that Scotland should be an independent country? But already the question itself is being hotly debated, never mind the answer. I’m joined from Aberdeenshire by the First Minister where I fear it’s a bit cold. Good morning, Mr Salmond. Thank you for joining us.

ALEX SALMOND:
(laughs) Well you’re familiar with the beautiful but slightly cold weather here in Aberdeenshire, Andrew.

ANDREW MARR:
The testing climate, indeed. Can I ask you, first of all, if you’re concerned by people like the bra lady who says that she’ll leave and go south if Scotland becomes independent, or whether you’ve got something for her uplift in the north?

ALEX SALMOND:
(laughs) Well I think it was Helena Kennedy I heard put it very well actually. Michelle’s concerns seem to be predicated on the idea it would put business tax up. In fact our strategy is to lower business tax, which I think will be very helpful not just in persuading Michelle Mone to stay, but attracting lots of other business to Scotland. I should just gently point out that Michelle actually said this the week before the 2007 election in Scotland which the SNP then won. But I think the key point is - and perhaps it’s quite a helpful debate - that I think it’s very important in terms of the future of attracting new business headquarters to Scotland is that we have an extremely competitive rate of corporation tax. That’s our policy. I’m sure when we explain that policy to Michelle Mone then she’ll be very reassured and encouraged.

**ANDREW MARR:**
Okay. Let’s turn to the question itself that you announced. People who study referendums and polling say that if you ask a question like this - do you want Scotland to be independent? - that tilts the answer slightly towards yes. And many of your critics have said that this is also about the break-up of the UK and that should be mentioned in the question. The question should be something more like: do you want Scotland to leave the United Kingdom? Would that not be an equally fair question?

**ALEX SALMOND:**
Well can I just deal with this? I mean probably one of the greatest referendum experts in the world is Professor Matt Qvortrup of Cranfield University in Bedfordshire, not far from where you are at the present moment, Andrew, and he said that the question is clear and straightforward. The Leader of the Scottish Conservatives has said the question to her is fair and decisive. I heard an expert from Arizona on the Today programme questioning the question the other day and he was presented as somebody who knew nothing about it, was a completely independent person; and it turns out, according to the press, that he’s been advising Steve Hilton in the Conservative Party’s central office. Now I think just in straightforward terms, the question which is - do you agree that Scotland should be an independent country: yes or no? - I think most of your viewers watching this programme would agree with the Leader of the Scottish Conservatives that that seems to be a pretty fair and decisive question.

**ANDREW MARR:**
(over) Who felt, as you know, thought she mis-spoke after that. But let me come onto
the other potential question: the so-called Devo Max question, which is Scotland remaining inside the UK but with fiscal autonomy. Would you on balance prefer that question to be on the ballot paper or not?

ALEX SALMOND:
Well I’ll come to that in a second, but you asked a very interesting point in the last question that I should have addressed and that was the question of the United Kingdom.

ANDREW MARR:
Yes.

ALEX SALMOND:
And one of the things I would argue is of course the United Kingdom to an extent - not the state but certainly the monarchial union - was formed in 1603 with the union of the crowns; and of course it’s SNP policy to have the Queen as our Head of State, so that union, that United Kingdom if you like, would be maintained after Scottish political independence. I think that’s a real stumbling block about putting forward the question of the United Kingdom when it’s SNP policy to have the Queen as our Head of State …

ANDREW MARR:
So …

ALEX SALMOND:
… and to share, and to share that monarch with the other countries of these islands at the present moment.

ANDREW MARR:
So if the SNP won a referendum on independence, you would regard Scotland as still being part of the United Kingdom. Is that right?

ALEX SALMOND:
Well I’m just saying that when you have a monarchial union … In one of our papers,
we pointed out what does a kingdom mean, and the Queen will still be our Head of State. She’ll be Head of State of the rest of the UK; she’ll be Queen of Scots; she’ll be Queen of England. So that’s why I’m just pointing out why I don’t think it’s a very good idea to confuse the issue by talking about united kingdoms when actually what we’re talking about is political independence for Scotland …

**ANDREW MARR:**

*(over)* That’s very subtle.

**ALEX SALMOND:**

… which is a pretty clearly understood concept and you know it’s in practice in two hundred countries around the world, Andrew.

**ANDREW MARR:**

Let me come to the Devo Max question then because David Cameron has made it absolutely clear that he as Prime Minister of the United Kingdom and this being a reserved power at Westminster, he will insist on it being either independence or the status quo, not a middle option on the ballot paper.

**ALEX SALMOND:**

Well I think that’s very strange. I read that in the papers today, Andrew. But of course if you look at the UK Government’s consultation paper released only two weeks ago, they asked people in Scotland about the question or questions that they would like to see asked, so it seems extraordinary that two weeks into a consultation the Prime Minister seemed to have made up his mind already. What I’d advise the Prime Minister to do is this - is to do what I’m going to do; is to listen to the voices in civic Scotland that come forward to see if there’s a real demand for having a question on fiscal autonomy, on financial powers on the ballot paper. If that demand is there, I think it would only be inclusive and democratic to allow that voice to be heard. And honestly, you know given we’ve got the first poll in Scotland, genuine poll today showing a majority for independence for some time, I think that some of that increase in support for independence is a reaction against the sort of dictatorial line we’ve been getting from some of the pronouncements from Downing Street. I think the Prime Minister would do well to perhaps listen to the voice of the people and try and
conduct this debate in a bit more positivity …

ANDREW MARR:
(over) Sure.

ALEX SALMOND:
… and I think that would be an approach which would be favoured both north and south of the border.

ANDREW MARR:
Either full independence or fiscal autonomy - whatever we call it - wouldn’t simply be a matter of Scotland seceding. It would be a divorce of a kind, and an amicable divorce means both sides having a say. Would it not be reasonable in both cases for English voters to be able to vote on these matters too?

ALEX SALMOND:
Well I think there’s agreement certainly on the question of independence. I mean internationally across the world if a nation determines to be independent, you know that is something for that country itself and that’s a universally almost accepted principle. Of course the House of Commons has a say in the matter, but there’s very few English politicians - indeed I think every UK prime minister since Harold Wilson has accepted the principle that independence is a matter for Scots to determine. And secondly in terms of a que…

ANDREW MARR:
(over) So what about Devo Max?

ALEX SALMOND:
… a question of Devo Max, then Scotland has the right - and the claim of right, of course that famous ringing declaration was reasserted by the Scottish Parliament - the idea that the Scottish people have the right to determine the government best suited for their needs. And then of course again if Scotland pronounces its view, then the House of Commons has a right, representing the people of England, to take a view on that. But all I’m saying is in terms of this debate and how it’s conducted, I actually
think that most people in England - as I was saying at the Guardian lecture in London this week - actually take two views of Scotland. One: if Scotland wants to be independent, then that’s fair enough as long as Scotland is standing on its own two feet and making its own way in the world. And, secondly, they - like me - would want to see the best possible relationship between Scotland and England after independence of two equal independent countries …

ANDREW MARR:

(over) Sure. But do you think English vo…

ALEX SALMOND:

(over) … but the best of friends and the very best of neighbours.

ANDREW MARR:

You haven’t told me if you think English voters should be given the right on the Devo Max question, since it affects both countries and their future relationship, to have a referendum say themselves?

ALEX SALMOND:

No, I think the point I was making was that the view of England, if you like, is expressed through the House of Commons. That’s the …

ANDREW MARR:

(over) I see. Alright, one …

ALEX SALMOND:

… the proposition made by Scotland they would express.

ANDREW MARR:

One final …

ALEX SALMOND:

That, incidentally, in normal issues in England has been the tradition.
ANDREW MARR:
Okay.

ALEX SALMOND:
In Scotland of course, as you’re well aware, there’s been a tradition of the sovereignty of the people - something I and I suspect you, Andrew, have great respect for.

ANDREW MARR:
I’m always respectful of the sovereignty of the people. Can I ask however about the people’s sovereignty over their currency because you’d like to keep for the time being the pound in an independent Scotland. Doesn’t that mean that in effect monetary and fiscal policy would be run from London? You wouldn’t have an independent central bank, it would come from the Bank of England, and that you would then have the same subservient relationship to the fiscal power that, for instance, the Greeks are arguing about when it comes to the euro?

ALEX SALMOND:
Well there’s almost seventy countries across the planet, Andrew, who are either in formal monetary unions or informal monetary arrangements. They are still independent countries. Now I proposed a monetary union between Scotland and England after independence because I think that would be a sensible thing to do. I mean UK politicians gave up setting interest rates in 1997 when, as you rightly say, the Bank of England became independent. But the reason incidentally I think a monetary union would be good for England - let’s look at it from an English point of view for a second - is that even though Scotland would get the revenues from our share of North Sea Oil and Gas, it would provide some 30 billion protection for the sterling area, for the UK balance of payments if you like, which I think very few UK chancellors would want to turn down.

ANDREW MARR:
(over) Alright, one point …

ALEX SALMOND:
(over) And I haven’t even mentioned the 4 billion exports from Scotch whiskey,
Andrew.

**ANDREW MARR:**
And I haven’t even mentioned Shetland and Orkney declaring independence. We’ll move briskly on. Just one final story which is all over the papers today is Stephen Hester’s bonus at RBS just short of a million pounds. Everybody else is having their say on it. What’s your view?

**ALEX SALMOND:**
Well my view is when an organisation is the public sector, there has to be accord with the discipline the ordinary workers in the public sector are being asked to accept. And I’d go further than that. I mean unless we can reconcile this issue in terms of how people are treated in society and the inequalities that result from it, then I think it’s a real threat to economic recovery because clearly the integrity of public services just now depend on pay restraint and the public sector. It’s very difficult to see how that can be sustained and maintained if we have the sort of debate as we’ve had over the last couple of days. Now I believe the Westminster parties are culpable. Labour made this arrangement in the first place, the Conservatives after - calling on shareholders and private companies to do something, seem loathe to do something themselves. Why isn’t the option of a tax on bank bonuses being put forward again instead of the only talk we get from the Chancellor which is to reduce the top rate of income tax? I think this question of inequality has to be tackled if we are protect economic recovery.

**ANDREW MARR:**
Right Alex Salmond, before the storm that I can see behind you actually arrives there, I’ll say goodbye. Thank you very much indeed for joining us this morning.

**INTERVIEW ENDS**