

Extract from speech by the Secretary of State for Defence Rt Hon Philip Hammond MP today in Edinburgh which puts a substantial amount of data into the public domain. He said:

From what [the SNP] have said, we know that the plan is for an annual defence and security budget of £2.5 billion... if you believe Angus Robertson. Or perhaps just £2 billion if you think that John Swinney's is the more credible voice. And for Scottish armed forces comprising 15,000 regular and 5,000 reserve personnel, apparently operating under a Joint Forces HQ at Faslane.

They say all current bases in Scotland would be maintained and the Scottish defence forces would be equipped with what they call "Scotland's share of current assets" including ocean going vessels, fast jets, transport aircraft and helicopters, as well as army vehicles and "artillery air defence systems."

In addition, they tell us they would develop a procurement plan for new frigates, conventional submarines and maritime patrol aircraft.

That, to me, sounds like a high-level shopping list, based upon a fundamental misunderstanding of how Defence works and how military effect is generated - the "chocolate bar approach" that pretends you can just break a chunk off a bigger entity and it works as a stand-alone force.

So let's analyse this proposal, let's see if it adds up.

Let's start with the size of their proposed armed forces.

They say that they would establish a regular Defence Force of 15,000, including all current "Scottish regiments" and "restored" Scottish infantry regiments, plus other combat and support units, Special Forces and Marines.

The current liability of the Scottish "teeth" regiments - the five battalions of the Royal Regiment of Scotland, the Scots Guards, and the Royal Scots Dragoon Guards - is some 4,100 posts.

Add to that the liability of the King's Own Scottish Borderers when they were amalgamated with the Royal Scots - a further 550 posts - and you're almost at a third of the entire proposed Defence Force.

But what about the support functions; the "tail" without which the teeth of an expeditionary army are useless?

The tooth to tail ratio in the British Army - maximising the economies of scale that come from a force of its size and efficiency - is approximately 1:2.

So if these fighting units are going to be supported by artillery, supplied by logisticians, kept on the move by engineers, and able to talk to each other thanks to signallers, then that's 14,000 of the entire defence force of 15,000 used up just on ground forces.

That's before you've even begun to think about military headquarters, or protecting Scotland's skies with an Air Force, or her 11,000+ miles of coastline - roughly half the coastline of the UK - with a Navy.

On a generous interpretation, even if you ignore the logic of scale economies and assume that the naval and air elements of the Scottish defence forces would form roughly the same proportion as the Royal Navy and Royal Air Force do of the UK Armed Forces under our 2020 plans, this would add another 6,500 service personnel, requiring a total regular Defence force of over 20,000.

And then there's the significant question of who would want to join these Defence

forces. The nationalists have taken for granted that soldiers currently serving in the "Scottish regiments" would want to serve in a Scottish defence force. But who knows how many Scots would want to serve a new state, as part of a "Scottish Defence Force"? And what sort of career would they be signing up for? They certainly wouldn't have a fraction of the opportunities they currently have for overseas deployment and training, nor the diversity of experience or access to the quality of kit and equipment with which they currently operate. It is a significant gamble to assume that troops in our UK Armed Forces would volunteer for a Scottish Defence Force. All of this adds up to a set of serious questions about the SNP's military personnel plans. But what about their equipment plans? Do they do any better there? They say they plan to inherit "Scotland's share" of current assets. As I've already set out, there is no such thing as a "Scottish share" or "English share". There is a coherent, purposely designed, integrated whole. But by their own logic, the SNP's defence force, based on Scotland's population share of the UK's defence assets, would comprise of:

- 5 Chinook helicopters;
- 10 Typhoon jets;
- 2 Hercules C-130J heavy lift aircraft.
- 1.6 Destroyers or Frigates [from a total of 19];
- Just over half an Astute submarine [from the fleet of 7];
- One sixth of an aircraft carrier;
- As well as under one Red Arrow!

Ask any military strategist whether they could constitute a reliable fighting force from these elements? There would be absolutely no military logic to a force with such a mix of equipment. And yet, on the back of this, the nationalists say they would develop a defence industrial strategy and procurement plan, including for the procurement of new frigates, conventional submarines and maritime patrol aircraft. I want just to pause on this proposition because the consequences of independence for Scotland's defence industrial employment base deserve to be examined. As many of you here will know, through the UK's requirements for new, complex surface warships to sustain a Frigate and Destroyer force of 19, plus 2 Aircraft Carriers, there is just about enough work to sustain one shipyard in the UK. At the moment, the bulk of that work is focused on the two new Queen Elizabeth class aircraft carriers, and in the future it will switch to the new Type 26 Frigate. And the reason those jobs are in the UK rather than overseas in cheaper yards is because we have chosen to maintain a sovereign capability in complex warship building - just as we have in submarine manufacture - and because these contracts are exempt from EU procurement rules for reasons of essential national security.

It is worth noting that, other than procurement activity undertaken during the World Wars, no complex warships for the Royal Navy were constructed outside the UK in the 20th Century, and the UK Government remains committed to utilising the strengths of UK industry in this specialist area.

So the question for the proponents of independence is this: how would the procurement needs of a Scottish naval force sustain a shipyard in Scotland? How many frigates are they planning to procure? To maintain the force they would "inherit" on a pro-rata share - already larger than they could afford - would involve replacing the equivalent of 2 warships over a 30-year cycle. But they would need in the order of 20-25 ships over that period to sustain a warship-building yard.

In other words, despite the bluster, an independent Scottish Government would have to close Scotland's shipyards and procure its replacement warships either in the UK or abroad.

So the nationalists have to explain how they would replace the 5,500 jobs directly linked to UK naval shipbuilding in Scotland, while at the same time replacing the 6,700 jobs at Faslane and Coulport.

The SNP also have some explaining to do when it comes to their planned Defence budget. As I've said in recent weeks, to deliver the kind of Defence posture that we set out in the SDSR, the UK Defence budget is already stretched to the limit.

And of course, any splitting of our Defence budget would inevitably lead to a reduction in the capabilities and commitments that both the UK Government and the Scottish Government would be able to deliver.

Make no mistake, Scotland going it alone would seriously damage the Defence capability of both countries.

The challenge for the SNP on the Defence budget is this: For just £2 - 2.5 billion a year - just 6-7% of the UK's current Defence budget - how could they provide the same level of security which the Scottish people currently enjoy?

Well let's take a look.

As I have already shown, if their commitments to the "Scottish Regiments" are honoured, they will need approximately 20,000 Regulars to deliver a deployable military force.

Assuming a similar capitation rate as the UK Armed Forces, the annual bill just for regular personnel would be approximately £1 billion - 40 or 50 per cent of their budget.

And we would have to assume there would be a Scottish Ministry of Defence or a defence and security department, with its own procurement and support functions.

Even discounting the loss of economies of scale and assuming that the civilian:military ratio for Scotland was the same as for the UK, that would be a civilian Defence workforce of 6,500, and an annual employment bill of £228 million.

We also know that they are committed to maintain every current base in Scotland - that's approximately another £140 million a year.

And what about equipment? The UK Defence equipment procurement and support budget is roughly £13.25 billion this year. So Scotland's pro-rata share would add another £1.13 billion to the bill.

Already, they've used up the £2.5 billion budget, if you believe Angus Robertson - or far exceeded the £2 billion budget, if you believe John Swinney.

But what about the 5,000 reserves? What about recruitment costs? What about conducting training and exercises? What about fuel, ammunition, research and development, Information Technology, transport, or property management? And remember, this budget is a Defence and Security budget.

What about intelligence and cyber security? The UK single intelligence account has a budget of £2 billion a year - on top of the Defence budget - and there is separate cyber funding of £650 million over four years.

How much will the SNP spend on these increasingly critical capabilities? How much less efficient would a small, stand-alone, operation be? And what will be the set up costs? And when it comes to set up costs - what about setting up a Scottish MoD? What about the cost of setting up new military headquarters and infrastructure? What about the cost of setting up a new equipment procurement and support organisation?

The list of unanswered questions is long, but the Scottish Government seems to think these things would come for free.

To me, it's clear. The SNP's figures simply don't add up. They are attempting the same trick that the last Labour Government tried and failed to pull off. Their resources simply don't come close to matching their commitments.

And now, we know that their priorities will place Defence near the bottom of the pile, thanks to the leaked memo to his Scottish Government colleagues from Finance Minister John Swinney.

In it, he warned them that, in his own words, in an independent Scotland "a much lower [Defence] budget must be assumed".