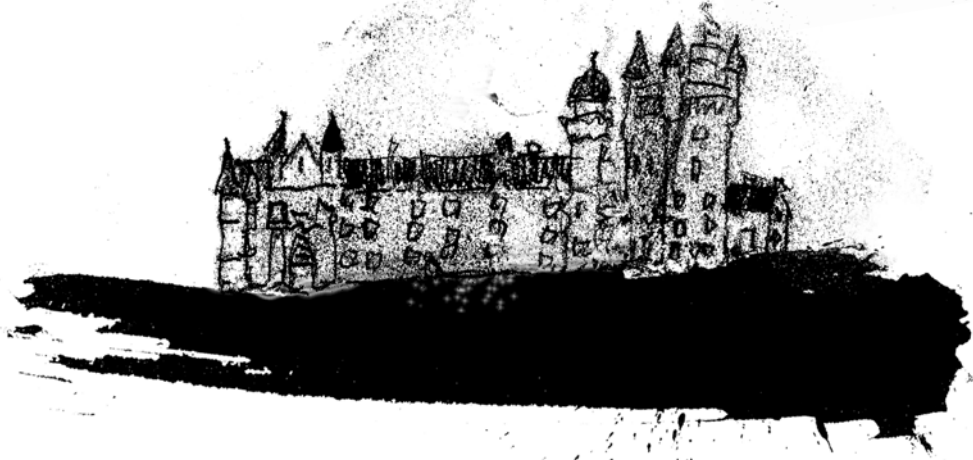


Balmoral BUYOUT



by Andy Wightman

One of the foremost architects of the land reform movement of the 1990s, and now one of the people behind the Common Good movement writes from Addis Ababa, Ethiopia.

Any serious attempt at dismantling the concentrated pattern of private landownership in Scotland will get nowhere if it does not face up to the fact that the Queen's ownership of Balmoral is a central part of the problem. It remains an totemic obstacle to radical land reform since it's continued existence legitimises large scale private landownership. It's time to buy-out Balmoral.

When Alex Salmond visited the Queen at Balmoral earlier this autumn, I doubt that he said much about his administration's plans for land reform. It would be a breach of Parliamentary etiquette if he had (Parliament should normally be the first to hear). But it is probably as much to do with the fact that there appear to be no such plans. Which is a pity, since there is much that Alex Salmond has said in the past he wishes to do. In an article he wrote in the Sunday Express in November 1995 he argued that the unregulated land market in Scotland was intolerable, that absentee landownership was an inappropriate qualification for landownership and that all land should be controlled by a democratically elected Land Commission.

Since the establishment of the Scottish Parliament, much has in fact been done. On 28 November 2004, the system of feudal tenure in Scotland was abolished although you'd be forgiven for not having noticed since a few individuals continue to own the vast majority of privately owned land in Scotland. Indeed it is one of the curious things about attitudes to the question of landownership that there is general approval of the abolition of feudalism but little antagonism to this concentrated pattern of landownership.

The one issue around which much of this ambivalence revolves is the Queen's ownership of Balmoral Estate which induces everything from anger to romantic enthusiasm. Although Balmoral is the private property of the Queen (except it isn't quite this simple as we shall see), it is also an indispensable part of the constitutional furniture. This is partly because she spends so much time there (the film *The Queen* starring Helen Mirren provides an entertaining portrayal of her time there) and partly because she uses the time there to entertain such figures as Gordon Brown and Alex Salmond. Who could not fail to be impressed by the employment she generates in Upper Deeside, the spin offs in tourism and the fact that munificently, she provides all of this out of her own funds?

But many of Scotland's landowners are charming, polite, eager to please and

undertake good works in the community. So what? Just as a benign dictator who is popular with the masses does not diminish one iota the case for democracy and human rights, so the presence of so many charming members of the nobility still lording it over huge swathes of Scotland (but doing a splendid job) does nothing to detract from the case for radical land reform.

Of course many will argue that it matters little in the overall scheme of things that the Queen owns Balmoral. What matters is the symbolism and what this says about or attitudes to who owns our country because, for a start we know so little about how land is owned and by whom. For example, Queen Victoria is popularly believed to have fallen in love with Balmoral and purchased it in the 19th century. She didn't. Likewise, the Queen is regarded as the owner of Balmoral Estate. She isn't.

If you look at Balmoral's website (www.balmoralcastle.com) you will see the following claim.

"Purchased by Queen Victoria in 1848, the Estate has been the Scottish Home of the British Royal Family ever since."

and

"The Estate is owned and funded by Her Majesty The Queen personally rather than as Sovereign."

Both claims are wrong.

Queen Victoria took a lease of Balmoral Estate in 1848 from the Trustees of the Duke of Fife. The estate was then purchased in 1852, not by Queen Victoria, but by Prince Albert since the 1760 Civil List Act meant that any property bought by the Monarch would become part of the Crown Estate (the revenues of which are surrendered to Parliament in return for the Civil List). It was thus necessary to pass the Balmoral Estates Act in 1852 to confirm the legality of the purchase and to enable Victoria to inherit Balmoral following Albert's death. The Crown Private Estates Act was then passed in 1862 to permit the further purchase of land in Scotland.

Balmoral Estate is, furthermore, not owned by the Queen. It is owned by Trustees

Nominated and Appointed by Her Majesty Elizabeth the Second. The Queen is the beneficiary of this Trust. In 1997, the Trustees were Rt. Hon. David George Coke Patrick Ogilvy, Earl of Airlie (Cortachy Castle, Cortachy, Kirriemuir, Angus), Sir Iain Tennant KT LLD (Lochnabo, Llanbryde, Moray), and Michael Charles Gerard Peat CVV, Keeper of the Privy Purse (St James Palace, London)

The reason for this arrangement is to be found in Section 4 of the Crown Private Estates Act 1862 which stipulates that the Queen's private estates in Scotland shall be held by Trustees. Balmoral Estate has thus been exempt from inheritance taxes and death duties ever since as Trusts don't die. The Crown Private Estates Act is a reserved matter for the UK Parliament so there's not much the Scottish Parliament can do about any of this.

The Queen's personal estates in England and Scotland are, furthermore, subjects of a range of special exemptions. For example, under the Animal Welfare Act 2006, the Queen is exempt under Section 60(6) from having Inspectors enter her land.

No power of entry conferred by or under this Act may be exercised in relation to land belonging to Her Majesty in right of Her private estates.

Similarly, in the access provisions of the Land Reform (Scotland) Bill, the Queen's private estates were initially exempt until Denis Canavan MSP proposed an amendment to remove it.

So what do the Queen's Trustees actually own?

First of all they own the Balmoral Estate itself which was extended in 1947 by the purchase of lands in Angus (Bachnagairn and Whitemouth in 1947 and Glen Doll in 1997). In addition the Trustees have a long lease of Abergeldie Estate and bought the Delnadamp Estate in 1977 and 1980. In total they own around 61,500 acres and have a long lease of the 11,700 acres of Abergeldie (see map). This

Starting with the Queen..... Her late mother was the daughter of the 14th Earl of Strathmore. He was married to Cecilia Cavendish-Bentinck and the Queen Mother's older sister was married to the 4th Earl of Granville whose grandfather was the infamous first Duke of Sutherland. The 2nd Earl of Granville's daughter was the grandmother of James Morrison, Lord Margadale. Princess Antonia von Preusen, another relative of the Queen is married to the Marquess of Duoro whose father is the 8th Duke of Wellington. The Lord Lieutenant of Aberdeenshire is Angus Farquharson of Finzean and prominent landowners who have been appointed by the Queen across Scotland include the 12th Duke of Argyll, Major Alexander Trotter, 6th Marquess of Bute, 3rd Marquess of Linlithgow, Sir Iain Tennant (also Trustee of the Queen's Balmoral estates), Alexander Melville, Earl of Leven, Sir David Butter, 7th Earl of Mansfield and Sir Roderick Stirling. The Queen's former private secretary is Lord Charteris of Amisfield, whose daughter is married to Lord Pearson of Rannoch. Lord Charteris's brother is the 12th Earl of Wemyss and March, whose daughter, Lady Elizabeth Charteris is married to David Holford Benson, Chairman of Kleinwort Charter Investment Trust. A former Chairman of Kleinwort Benson Group (1993-96) itself is Baron Rockley who is married to the elder daughter of 7th Earl of Cadogan. The Queen is also related to the late Earl of Airlie through his brother, Sir Angus Ogilvy who is married to Princess Alexandra of Kent. The Countess of Airlie is also a Lady to the Bedchamber of the Queen. The Earl of Airlie was a Trustee of the Queen's Balmoral estates and Chairman of Schroders, the merchant bank from 1977 to 1984 whilst Bruno Schroder himself owns Dunlossit Estate on Islay next door to Lord Margadale! Another relative of the Queen, James Hamilton, the 5th Duke of Abercorn is married to Alexandra Anastasia, whose niece is married to the Duke of Westminster. The Duke's sister, Lady Jane Grosvenor, was the first wife of the Duke of Roxburghe. (Her marriage to Roxburghe made her the daughter of a Duke, the sister of a Duke, the wife of a Duke and finally the mother of a future Duke!). Meanwhile the Queen's aunt, the Duchess of Gloucester, is the 3rd daughter of the 7th Duke of Buccleuch whose widow is the daughter of the 13th Earl of Home (33,000). The current Duke of Buccleuch's aunt is the Duchess of Northumberland (5000) whose daughter was the first wife of the Duke of Sutherland. The Duke of Buccleuch (Richard Walter John Montague Douglas Scott) is married to Lady Elizabeth Kerr, the youngest daughter of the 12th Marquess of Lothian (17,000). Lady Elizabeth's sister, Lady Cecil Kerr,

is married to Donald Cameron of Locheil (younger) (76,881) (also the Lord Lieutenant of Inverness-shire). The hereditary master of the Queen's household in Scotland is Ian Campbell, the 12th Duke of Argyll who is married to the daughter of Sir Ivar Colquhoun of Luss (37,191) whose nephew is Sir Michael Wigan (22,393). Sir Ivar's sister is the widow of the 8th Earl of Arran. The great-grandson of the 4th Earl of Arran's brother married the daughter of the 4th Earl of Cawdor (56,800). Going back to Donald Cameron for a minute - his grandmother was the daughter of the 5th Duke of Montrose (8800) whose son, the 6th Duke, was the father of Lady Jean Fforde, the mother of Charles Fforde from Arran (16,300). The 6th Duke's niece married the late Thomas Campbell-Preston whose half-sister is Sarah Troughton (17,843). Thomas's father, Robert Campbell-Preston was married to Angela Pearson, the 3rd daughter of 2nd Viscount Cowdray (76,600) and the mother (by her first marriage) of the late Duke of Atholl (148,000). The Atholl Estates factor, Andrew Gordon (11,100), is also the factor for Robin Fleming (92,141), whose cousin, Dorothy Fleming (who married his brother, Major Richard Fleming), together with her sister Mrs Schuster (And husband Richard Schuster, are also Argyllshire landowners (25418). Robert was chairman of Robert Fleming Holdings from 1990 - 1997 of which Henry Keswick is also a Director. Henry and his youngest brother Simon (26,003) are Chairman and Director of Jardine Matheson Holdings Ltd. (whose founder, James Matheson, at one time owned the Island of Lewis). At least six other Dumfriesshire landowners have close connections with Jardine Matheson. Henry is married to Tessa, Lady Reay, younger daughter of the late Lord Lovat whilst Henry's other brother, Sir John "Chips" Keswick, Chairman of Hambro's Bank, is married to Lady Sarah Ramsay, daughter of the 16th Earl of Dalhousie who himself is related to the Lovats through his wife whose mother was the daughter of the 13th Lord Lovat. The 16th Earl of Dalhousie's cousin is the late Captain Ramsay of Mar and his late mother was Lady Mary Heathcote-Drummond-Willoughby, daughter of the 1st Earl of Ancaster. Her great niece is Baroness Jane Heathcote-Drummond-Willoughby de Eresby whose grandfather on her mother's side was the 2nd Viscount Astor. The second son of the 1st Viscount Astor was the 1st Baron Astor of Hever whose grandson is Philip Astor. Philip's sister, the Honourable Sarah Violet Astor is married to George Lopes. The first Baron Astor's wife was the mother of the Marquess of Landsdowne and the daughter of the 4th Earl of Minto. The son and heir of the Marquess is the Earl of Shelbourne whose brother is Lord Robert Mercer-Nairne.

These people own over 12% of the privately-owned rural land in Scotland!



makes them the 25th largest private landowner in Scotland (up from 68th in 1970).

Despite this, the Scottish public by and large continues to be seduced by nobility and to approve of the Monarchy. Politicians know this but what is conveniently forgotten by today's political classes (who seem more intent on securing good headlines next day than tackling deep seated political issues), is that landowning in Scotland continues to be an institution dominated by a tiny number of people. In the Highlands and Islands for example fully half of the private land - over 3.6 million acres is owned by fewer than 100 landowners and three-quarters of it is owned by around 300.

Such a pattern is remarkable in itself but what is even more astonishing is the way in which the landowning establishment itself is not merely a collection of random individuals but a tightly knit network of power and influence extending into the fields of politics and finance. The small numbers involved facilitate the operation of this network and its effectiveness which extend to the highest levels of British society (see Box).

This pattern of influence and landed power has lasted right up until the very end of the 20th century bolstered by wider networks

within politics, finance and the law. Such intimate relationships promote social cohesion among landowners which makes them readily distinguishable today as a discrete class with its own values, internal networks, and related social institutions.

Private landownership in Scotland remains a small, interrelated and privileged club which is proud to have the Queen as a member. But with land reform such an important part of public policy, what message does it send out when the Queen continues to play the role of Highland Laird? The Queen is supposed to set an example. In Scotland, public policy on land reform is to secure a "rapid change in the pattern of land ownership". The Queen is running counter to that by being the owner of a large and expanding estate.

The Queen, who, like other large landowners, owns estates to provide her with a place to spend her holidays can continue to enjoy her holidays as others do by renting a castle or country hotel. Under state or community ownership, the Queen could even continue to enjoy holidays at Balmoral if she wished

To counter such suggestions and to

promote its role as a modern and progressive estate, Balmoral Estate makes much of its economic impact on the local economy and in a recent study it claimed that

"employment impacts total approximately 340 full-time equivalent jobs in Upper Deeside or 400 full-time equivalent jobs in Aberdeenshire. These employment impacts generate household income of over £6 million per year in Upper Deeside or £7 million in Aberdeenshire. The 340 full-time equivalent jobs in Upper Deeside (including Aboyne) represent up to 20% of the area's total employment."

The problem with these studies is that the figures, whilst appearing impressive, actually bear no evidential relationship to ownership by the Queen. Such impacts are no doubt partly a consequence of the royal connection but they could equally arise (or be different) under any alternative form of ownership since the assets of the area would remain the same and the royal history would still be there.

Any serious attempt at dismantling the concentrated pattern of private landownership in Scotland will get nowhere if it does not face up to the fact that the Queen's ownership of Balmoral is a central part of the self same problem. It remains an obstacle to radical

land reform since it's continued existence legitimises large scale private landownership.

This is exacerbated by the fact that Balmoral will be inherited by Prince Charles as heir to the throne. Not only will he pay no inheritance tax (although the Queen's estate is subject to inheritance tax, bequests from Sovereign to Sovereign are exempt for the rather bizarre and illogical reason given on the Monarchy website that,

"This is because the Sovereign is unable to generate significant new wealth through earnings or business activities, and to recognise the requirement for the Monarchy to have a degree of financial independence."

Whilst increasing numbers of ordinary members of the public face 40% inheritance tax bills on their parents' house (and quite rightly so), the Queen's heir will not. And whereas many ordinary people will have to sell inherited assets to pay the bill, the argument is that the Sovereign does not generate enough wealth to do this. But Prince Charles (who would have to foot the bill were he to be liable) earned over £15 million last year from the Duchy of Cornwall.

Moreover, when any normal family inherits property, each child will usually receive an equal share, the Sovereign is still subject to the laws of Primogeniture so Princess Anne, Prince Andrew and Prince Edward will inherit nothing of Balmoral. If they did, it would at least do something to

break down the pattern of ownership.

Any moves to change the pattern of ownership should not be regarded as an attack on the Queen personally (her attitudes about how to manage Balmoral are as progressive as those of many modern landowners) but a challenge to the idea that Scotland can ever truly create a modern democracy when it's land continues to be in the hands of so few people.

By way of contrast to the regulatory regime surrounding landownership, in Inverness there are 50 civil servants spending around £1.5 million pounds regulating 17,000 crofts whose influence extends individually to a few acres of bog and rock. Their ability to assign their croft, sub-let it, decroft it, split it, amalgamate it, even their competence to use it are governed with what some might argue is an inappropriate and outdated form of paternalism but which, nevertheless, recognises in principle that the regulation of occupancy is in the public interest.

Remarkable then, isn't it, that at the same time the 100 people who between them own over half of the entire Highlands and Islands of Scotland are subject to no regulation. There is no Landowners' Commission, no consideration of local needs, of the best interests of the community, or of taking action against absentees.

Endless paperwork can surround the assignation of the tenancy of a few acres

of heath above Newtonmore whilst on the other side of Strathspey 40,000 acres of internationally important land in Glen Feshie are traded between strange people in the VIP lounge at Heathrow Airport with not so much as a cursory glance at any wider public interest.

In 1999, something remarkable took place. The ownership of 26 iconic properties such as Edinburgh Castle, Stirling Castle, Linlithgow Palace, Holyrood Park, Arbroath Abbey and Dunfermline Palace were transferred by the Crown Estate Commissioners to the Secretary of State for Scotland (within a few months Scottish Ministers then took over ownership). Quite why this was done is not entirely clear but the symbolism was evident (despite there never having been any publicity about this extraordinary dowry to devolution). The Crown Estate Commissioners appeared to believe that such properties were more appropriately held by representatives of the Scottish people.

Balmoral Estate is a block on land reform and for so long as it's ownership remains unquestioned so too will the wider pattern of large scale unregulated private ownership. Balmoral is the personal property of the Queen rather than part of the Crown Estate but the time has come to end this peculiar situation which continues to stand in the way of meaningful land reform.

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by Andy Wightman and James Perman

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